



FINANCIAL TIMES

PERESTROIKA

Soviets' bumpy road to the free market

Page 23

FT No. 31,257

© THE FINANCIAL TIMES LIMITED 1990

Friday September 21 1990

D 8523A

World News Business Summary

ANC to meet Buthelezi at summit in peace effort

The African National Congress (ANC) has announced it will meet Chief Mangosuthu Buthelezi, leader of the Zulu Inkatha Freedom Party, in a dramatic move aimed at ending violence which has left over 750 people dead in the past five weeks. Page 24

Iraqi revenge threat

Iraq threatened to destroy oil fields throughout the Gulf if attacked and said it would use all weapons at its disposal. Page 2

US ordered out

The Philippines told the US to leave its Clark Air Base within a year, saying it intended to repossess the facility and convert it to civil aviation use. Page 10

Poll may fail

A senior government official said President Omar Bongo was likely to scrap Gabon's first multi-party general elections, held last Sunday amid poll chaos and opposition charges of ballot-rigging. Page 6

Genocide charge

The Brazilian Attorney General has brought charges of genocide against the national Indian Welfare Agency (Funai), for failure to stop the Yanomani Indians of Northern Brazil being wiped out. Page 6

Sri Lankans killed

About 40 men, women and children in a Sri Lankan fishing village in north-western Puttalam district were shot and hacked to death by Liberation Tigers of Tamil Eelam rebels, military sources said. Page 6

Editor kidnapped

Francisco Santos Calderón, 28-year-old news editor of Colombia's national daily newspaper, El Tiempo, was kidnapped by armed men, who shot dead the driver of his car. Page 4

Soviets attack plan

The Soviet Government launched a furious counter-attack on radical plans for an immediate transformation of the Soviet economy. Page 10

Nato warns EC

Nato warned the European Community that, in the field of security, it should not try to run before it had learnt to walk. Page 10

Labour laws revised

The South African Government accepted recommendations involving big changes to the country's labour laws. Page 11

Typhoon kills 32

Typhoon Flo, the most powerful to hit Japan in two decades, swept through Tokyo and across the main island of Honshu, killing 32 people. Page 11

Unity treaty ratified

East Germany's parliament ratified the treaty of unification with West Germany, clearing the way for the formation of a unified German state to join the Federal Republic. Page 11

Mob kills soldier

Palestinians in Beirut refugee camp in the occupied Gaza Strip stoned and burned an Israeli soldier to death in his car after he hit and injured two children. Page 11

Reichmanns plan \$400m sale of US real estate

Members of the Reichmann family of Canada, which controls Olympia & York (O&Y), the giant Toronto-based real estate empire, have retained the services of Lazard Frères in New York to sell more than \$400m worth of US commercial real estate. Page 26

Mr John Zucotti, president of O&Y USA, denied that the company itself was making any sales or that it was facing cash flow troubles. Page 26

UK UNIT TRUSTS: The value of unit trust funds under management fell by \$8.6bn (\$13.7bn) to \$49.7bn (\$83.4bn) last month, according to figures from the Unit Trust Association, which blamed the drop on the Gulf crisis, the largest monthly fall since the stock market crash of October 1987. Page 23

NEC, the Japanese electronics company, announced two Chinese joint venture contracts, with investments totalling about ¥34.3bn (\$248.5m), to produce digital electronic switching systems and large scale integrated circuits. Page 3

CARDIO, the Swedish holding company, is discussing merging its life batteries division with Saft, the batteries subsidiary of France's Compagnie Générale d'Electricité (CGE). Page 26

PHILIPS, Dutch electronics group, is to sell its remaining 15 per cent share in a Netherlands-based joint venture with AT&T of the US to AT&T for an undisclosed sum. Page 26

THOMSON-CSF, state-controlled French company which is Europe's largest military electronics manufacturer, is understood to have dropped a plan to purchase MEL, the UK military electronics company, a subsidiary of the Dutch Philips group. Page 12

TRUMP Organisation, the deeply indebted empire of New York-based property developer and casino operator Donald Trump, is seeking the restructuring of a \$245m loan just weeks after a cash injection of \$65m. Page 27

BRITISH GAS has unveiled plans for a big expansion of its operations in the US, as part of its strategy of creating a large exploration and production arm. Page 24

MINORCO, Luxembourg-quoted offshoot of the Anglo American Corporation of South Africa, reported an advance in net earnings for the year to June 30 to \$784.4m after taking account of extraordinary net gains of \$55.2m. Page 28

BMC, the world's biggest producer of ready-mixed concrete, reported a 5.4 per cent fall in pre-tax profits for the six months to June 30 to £109.3m (\$205.5m) from £115.5m (\$217.1m). Page 34

GUINNESS, the international drinks group, reported interim pre-tax profits of £322m, (\$605.36m) 31 per cent higher than last time. Page 32

GLAXO, the world's second largest pharmaceutical group, reported an advance of 13 per cent pre-tax profits for the year to the end of June to £1.14bn (\$2.14bn). Page 31

Polly Peck chief quizzed by UK fraud investigators

By Our Financial and Industrial Staff

POLLY PECK International, the UK fruit trading and consumer electronics group, was last night facing the worst crisis in its turbulent history as Mr Asil Nadir, chairman and largest shareholder, was interviewed by Britain's Serious Fraud Office.

News of his visit coincided with a collapse in the Polly Peck's share price. It lost more than half of its market value, falling from £1.05bn (\$1.97bn) to less than £468m (\$880m) before trading was suspended during the afternoon at 10p, down from 243p. In the past six weeks, the share price has fallen by 75 per cent.

Yesterday's fall left Mr Nadir himself £165m poorer on paper. He left the SFO's headquarters in Elm Street, central London, after several hours of questioning. He sat smoking a cigarette in the back of a red Astra which followed his own car.

The SFO said that Metropolitan Police officers had searched the Berkeley Square offices of South Audley Management, a property company indirectly linked to Mr Nadir, on Wednesday. Both South Audley, and share dealings of at least one former director of the company have been investigated by the insider dealing group of London's Stock Exchange.



Nadir: withdrew takeover bid for Polly Peck

Mr Nadir is not now a beneficiary. But he could become so under certain circumstances. Polly Peck said yesterday it had promised the Stock Exchange to make a statement explaining the suspension by no later than the close of trading today. The statement is expected to include an explanation of any relationship between Polly Peck directors and South Audley.

It also emerged yesterday that the Turkish Government has made representations to 10 Downing Street, the British Prime Minister's office, about what it considers to be a propaganda campaign against Mr Nadir, manipulated by Greek Cypriot interests.

Mr Nadir, a Turkish Cypriot, is a political ally of President Turgut Ozal and Polly Peck has extensive business interests in Turkey and northern Cyprus. Mr Nadir has also built up a personal press and industrial empire in Turkey. A Downing Street spokesman would neither confirm nor deny that it had been approached by Turkey.

Mr Mark Ellis, Polly Peck's US-based corporate development director and one of Mr Nadir's longest serving colleagues, was last night flying to London by Concorde for a crisis board meeting scheduled for this afternoon.

Last month, Mr Nadir signalled his intention to make a takeover bid for Polly Peck but withdrew it only five days later. His actions were later criticised by the Stock Exchange's quotations panel.

Continued on Page 24
Lex. Page 24: The share price fall, Page 25

Share prices slump to year's low

By our Financial and Foreign Staff

WORLD stock markets lurched lower yesterday as concern mounted about economic and corporate health risks in an inflationary and perhaps recessionary environment.

Many European centres saw prices at their low for the year with markets in Frankfurt, Milan and Paris closing down around 2 per cent.

In London, the FT-SE 100 Index slumped to its lowest point since February 1988, ending 49.3 points lower at 2,018.9, a fall of 2.4 per cent.

The US market suffered as investors reacted to the sober assessment of the economy on Wednesday by Mr Alan Greenspan, chairman of the Federal Reserve.

At mid-session, the Dow Jones Industrial Average stood 34.40 points lower at 2,523.02. Selling hit the broad market but the declines in major indices were exacerbated by computerised programme trading in a thin market because of observance of the Jewish new year.

Mr Greenspan had told the Joint Economic Committee of Congress that the US was moving closer to recession but also that inflation was creeping higher. His remarks convinced many equity investors that the Fed is not planning to lower interest rates and prompted many stock analysts to lower their estimates for US corporate profits this year and next.

Overnight trading in the Far East had also been depressed. In Tokyo, worries about banks' capital ratios again featured as the Nikkei average fell 123.19 to a new low for the year of 23,602.98. Several banks hit their lows for the year, including Industrial Bank of Japan, whose loss of ¥350, or 10 per cent, to ¥2,240 was the heaviest fall in yesterday's market.

Elsewhere in the Pacific Basin, Taiwan's weighted index plunged 202.55, or 6.4 per cent, to 2,956.72 on worries about its relationship with communist China.

Among the European bourses, Frankfurt saw dis-

quiet about individual shares, especially those which had risen on perceived expansion prospects in eastern Europe. Philipp Holzmann, the construction group, fell 9 per cent to DM1,320.

Like Frankfurt, Paris seemed to be seeing more business on the downgrade. Volume was said to be higher as the CAC 40 index dropped 29.68, or 1.9 per cent, to 1,540.60.

In Milan, fears that Italy would be badly hit by oil prices were compounded by the International Monetary Fund's World Economic Outlook, released on Wednesday, which said that Italy would be hit harder than its European counterparts.

In Belgium, concerns for the construction sector pulled Glaverbel, the glassmaker, down 8.25 to BF2,000. The cash market index fell 34.37 to a year's low of 5,211.19.

In London, some market analysts believe the FT-SE 100 index could drop to 1,900 before it begins to recover, but they

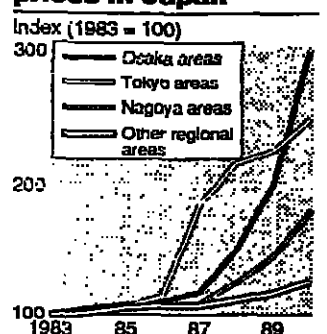
cautioned investors against overreaction. Some City observers laid the blame for market nervousness on Wednesday's comments by Mr Karl Otto Pöhl, Bundesbank president. He suggested that Britain would be unable to join the European exchange rate mechanism while inflation remained high.

But others said Mr Pöhl had merely stated the obvious and claimed general uncertainty worldwide, exacerbated by the crisis in the Gulf, was the main culprit.

Among individual UK shares, Polly Peck was only one of many companies to record double figure percentage falls while doubts over property loans added to the misery in the banking sector.

London plans new indices, Page 24; Lex, Page 24; Background to the falls, Page 25; London Stock Exchange 41-43; World Stock Markets, Page 48; Market reports, Back page, Section 2.

Residential land prices in Japan



Tokyo land prices fall as provinces rise 13.7%

By Stefan Wagstyl in Tokyo

LAND PRICES in central Tokyo fell by 0.1 per cent in the year to June, but rose strongly across the rest of Japan as the cost of land in provincial cities soared in the wake of increases posted in previous years in the capital.

The average increase was 13.7 per cent, the highest ever recorded, according to a report published this week by the National Land Agency.

The figures for Tokyo confirm that the price surge which began in the mid-1980s is almost certainly over, extinguished by a combination of falling yields, rising interest rates and regulatory curbs. Prices in other areas are now also expected to stagnate or decline. Reports from property brokers indicate that in Osaka and elsewhere, as in Tokyo, prices are off their peaks.

The Bank of Japan wants to see prices fall, because it believes they rose unsustainably high, but is concerned that they should not come down too fast for fear of causing widespread financial failures. "We want to see a gradual decline," said a senior central bank official this week.

The strength of the price increases in provincial cities recorded in the land agency's report indicates how powerful demand for investment property remained even after the central bank started raising interest rates in spring 1989.

In Osaka and its suburbs the average price of residential land rose by 48.2 per cent following a 37.3 per cent rise the previous year. Demand, fuelled by purchases of flats for investment, was so great that on the survey date the average cost of housing land in Osaka exceeded the average cost in the Tokyo region, for the first time.

Continued on Page 24
Japan's reservoir loses its depth, Page 23

Brussels to vet all big mergers and takeovers in Europe

By Guy de Jonquieres, Maggie Urry in London and Lucy Kellaway in Brussels

THE EUROPEAN Commission today acquires wide-ranging powers to control large mergers and takeovers involving companies with operations in the European Community.

All proposed mergers between companies with combined annual sales of Ecu5bn (\$6.6bn) or more must be notified promptly to the Commission, which may block or modify deals which it judges would damage competition. The Commission expects to vet about 50 deals a year.

Only hours before the rules came into force, the British Government referred two proposed transactions which would have met these criteria to the Monopolies and Mergers Commission, the body which examines competition issues arising out of takeovers. Brussels officials were careful not to express anger at what was a clear move to retain sovereignty while there was still the chance.

The UK body will examine the proposed bid by Tate & Lyle, the sugar and sweeteners group, for British Sugar, the sugar beet refining subsidiary of Borden International, and the planned joint venture between British Aerospace and Thomson-CSF of France in guided weapons systems.

A third, smaller, deal was also referred to the MMC: the proposed sale by Imperial Chemical Industries of its fertiliser division to Kemira, the Finnish state-owned group.

Under the new powers, Brussels will have the legal right to obtain large amounts of sensitive commercial information about mergers, to conduct detailed investigations into the companies involved and to fine them heavily if they fail to comply with the rules.

The Commission argues that the need for its expanded authority, which it has sought for the past 17 years, is increased by the advent of the single market in 1992 and by the rapid recent growth of mergers and acquisitions in Europe.

A growing number of these mergers is between companies in different countries. Last year, there were almost 1,300 cross-border deals in Europe, with a total disclosed value of Continued on Page 24
The new EC merger control special is on Page 8

Weekend FT
Tomorrow: Between a rock and a hard place - Joe Bossano, Gibraltar's chief minister
Winter in August: skiing Down Under



CONTENTS

Egypt: Counting the cost of losing Iraqi jobs	2
London property: Excess supply gives headaches to developers and landlords	13-18
Technology: Forget mechanics and electronics - think mechatronics	19
Editorial comments: The control of mergers; The defence of Europe	22
Japan: Foreign markets will find Japanese capital harder to get	22
Aerospace industry: How Europe is preparing to meet the US challenge	28
Management: Pizza Hut's Moscow venture - three years of talks, despair and hope	39
Europe	10
Britain	12, 13
Companies	27
27 Companies	31-35
USA	4, 5
Arms Guide, Reviews	20, 21
Companies	40
Commodities	40
International	11
Crossword	48
Companies	28
Currencies & money	48
World Trade	3

Latin America has another try at regional integration

President Carlos Menem of Argentina (left) is taking a remarkably pragmatic line in joining Brazil, Paraguay and Uruguay to form a common market in four years, with full economic and political union as its objective. Page 3

Editorial Comment	22
Financial Futures	41-42
Stock Markets	41-42
London	41-43
Int'l. Capital Markets	29, 30
Letters	22
Unit Trusts	44-47
World Index	39

MARKETS

STERLING New York lunchtime: \$1.88 London: \$1.89 (1.885) DM2.955 (2.955) FF9.8825 (9.8975) SF2.4675 (2.46) ¥255.50 (259.25) £ index 83.7 (84.0)	DOLLAR New York lunchtime: DM1.5825 London: SF1.3247 ¥137.235 DM1.5805 (1.568) FF9.2875 (9.25) SF1.32 (1.3058) ¥136.80 (137.55) \$ index 62.9 (62.8) Tokyo close: ¥137.05 US lunchtime rates Fed Funds 8 1/4 % 3-mo Treasury Bills: yield: 7.61 % Long Bond: 97 3/4 yield: 9.01 %	STOCK INDICES FT-SE 100: 2,018.9 (-48.9) FT Ordinary: 1,531.1 (-4.9) FT-A All-Share: 576.33 (-2.4%) New York lunchtime: DJ Ind. Av. 2,522.77 (-34.68) S&P Comp. 312.36 (-4.24) Tokyo: Nikkei 23,602.98 (-123.19) LONDON MONEY 3-month interbank: closing 14 1/2 Little long gilt future: 82 1/2 (82 1/2)
---	--	---

HOW THE CITY OF LONDON IS DEVELOPING

To get the full picture send for a free copy of the latest Weatherall Green & Smith's City of London Development Map which shows the present and future schemes

CHARTERED SURVEYORS
OFFICES IN LONDON, CITY OF LONDON, BRISTOL, EDINBURGH, LEEDS, MANCHESTER, PARIS, LUXEMBOURG, DUSSELDORF, HAMBURG, MUNICH, MADRID, NEW YORK, TOKYO

Weatherall Green & Smith
40 Abchurch Lane, London EC4N 3DF
071-638 9011

CRISIS IN THE GULF

Europeans stress need for combined naval command

By Our Foreign Staff

THE European armada patrolling the Gulf could be wide open to Iraqi air and missile strikes unless the 32-ship force is put under combined command, the Western European Union (WEU) said yesterday.

It recommended the 32 warships dispatched by WEU members - and now under six national commands - be supervised by commanders-in-chief in each of the zones of the Gulf and the Red Sea where they are enforcing the United Nations embargo against Iraq.

The warning came as Mr Tom King, the British Defence Secretary, prepared to meet Mr Dick Cheney, his US counterpart, in Washington to discuss the likely chain of command which has been "complicated" by the addition of British ground troops

and heavy armour.

"We will be discussing what the on-the-ground control ought to be if we do get into a fighting situation. That must be clear," he said before he left London.

"Obviously, as we are both there at the invitation of Saudi Arabia, it is important that we have their co-operation and respect their wishes in this."

It appeared likely that Mr King would accept the need for Britain's forces to come under a US supreme command.

Iraqi President Saddam Hussein meanwhile defiantly declared that he was ready to wage war against the US for years if fighting broke out in the Gulf.

Reacting to US President George Bush's statement that he was ready to take "additional steps" if the UN trade blockade and diplomacy failed

to force Iraq out of Kuwait, Mr Saddam referred to the eight-year war with Iran.

"If need be, we will fight for three, four, five or six more years," he told Mr Bulent Ecevit, former Turkish prime minister.

Earlier, Baghdad said the Iraqi leader had recorded a message to the American people and negotiations were under way to have it screened on US television.

Mr Manfred Wörner, Nato secretary-general, will travel to Washington on Wednesday to meet President Bush and other top US officials, the alliance announced yesterday.

Nato said Mr Wörner would also go to New York to talk to the foreign ministers of the 16 alliance nations before a meeting of the Conference on Security and Co-operation in Europe.

Cairo predicts \$10bn losses ahead of IMF meeting

By Tony Walker in Cairo

EGYPT predicts its losses from the Gulf crisis for fiscal 1990-91 will reach a staggering \$10bn (£5.3bn) and says its citizens employed in Kuwait and Iraq may have lost a similar amount in fixed assets and bank deposits.

Official government figures reveal much graver economic consequences than admitted thus far, but western economists in Cairo warn that account has to be taken of Egyptian attempts to put its

losses in the starkest possible light ahead of important IMF and World Bank meetings in Washington.

According to a summary to be presented in Washington, Egypt expects its foreign currency receipts to decline by \$4.52bn in 1990-91 and expects to spend \$4.7bn more absorbing the 600,000 Egyptians who are expected to return from the Gulf.

Egypt arrived at the projected \$4.5bn losses of foreign

currency by adding an expected decline in remittances from the Gulf of \$2.4bn to an estimated reduction in tourist receipts of \$1bn, a drop in Suez canal income of \$300m and additional losses from such miscellaneous items as the termination of trade and airline services with Kuwait and Iraq.

The Egyptian government document in its prediction that 600,000 Egyptians will return home - so far 240,000

have done so from Iraq and Kuwait - estimates that there are 1.2m Egyptians working in Kuwait, Iraq and Jordan. It says that about \$7,407 is needed to create one job in Egypt.

Added to this is Cairo's pledge to employ all returning Egyptians who were previously employed in government jobs, at a total estimated cost of about \$240m.

On the eve of the IMF and World Bank deliberations,

Egypt said it would be seeking a speedy conclusion to its negotiations with the Fund on a new standby credit, which would in turn open the way for a rescheduling of part of its official debt.

It would also be seeking from donor countries an increase in cash and commodity grants, an increase in soft credits, and contributions to a "Social Fund" which is intended to help absorb returning Egyptians.

Egyptians count the cost of losing Iraqi jobs

Egypt gains on oil sales but loses on remittances, reports Tony Walker

MOHAMMED Hassan Abdul Baky sat in his unfinished house in the oasis town of Sennouris, and lamented the fate that had befallen him and thousands of his fellow countrymen who are among the unwitting victims of the Gulf crisis.

For the 53-year-old, grey-haired schoolteacher, his wife Nahla and seven children, a relatively comfortable life in Kuwait came to a jarring halt on the morning of August 2, the day of the Iraqi invasion.

Dreams of a secure retirement in his new two-storey house in Sennouris, west of Cairo, were punctured.

"I don't even want to think about working," said Mr Baky, still recovering from sunstroke after fleeing Kuwait across the desert to Jordan. "All I'm thinking about at the moment is going back, but if the worst

comes to the worst I'll work here in one of the schools."

This is a typical scene in household after household across Egypt, as teachers, workers and farmers come to terms with the sudden upheaval in their lives. The country itself counts the cost of lost remittances from those returning who were among the 1m or so of its citizens employed in Iraq and Kuwait.

For cash-starved Egypt, which has been receiving about \$3.5bn (£1.9bn) annually from remittances, forecast losses of up to \$2.4bn represents a serious setback, even allowing for considerable exaggeration at a time when donor countries such as Japan are deciding how much aid to give to the needy. Taken together with a sharp drop in earnings from tourism, hit hard by fears of Middle East violence, and

reduced revenues from the Suez canal, the picture is not very promising.

The news for Egypt is not, however, all bad. As an oil exporter of about 200,000 bpd, it is receiving an unexpected windfall from the surge in prices, estimated by one western economic attaché in Cairo at about \$100m a month. Aid flows have also resumed: Saudi Arabia has reportedly made a \$100m down payment, with the promise of more to follow.

The exiled Kuwaiti government is also said to be giving generously to a country that is leading the Arab opposition to the Iraqi invasion. Several west European nations are taking a more benevolent view of Egypt's stuttering economic reform programme and have relaxed restrictions on new credit.

Most important the US administration has proposed that Egypt's crushing \$7.1bn foreign military sales (FMS) debt be forgiven. If Congress agrees, this would mean a saving of some \$700m a year in repayments.

Egypt's banks are also benefiting from the crisis, as many of the 240,000 workers who have returned home from Iraq and Kuwait have brought their funds with them.

But while all these details may suggest that Egypt's predicament is not as bad as at first feared, there is no question that on the streets of Cairo and other towns, and in small farming hamlets, the Gulf crisis is causing real hardship.

According to a recent study some 30 per cent of income of rural households depends on remittances.

In Sennouris, in the Faiyum

oasis about an hour's drive from Cairo, returning farm workers from Iraq were complaining bitterly about their financial predicament. Many had not been paid by the Iraqi and were not confident they would ever receive funds owed to them.

Nasr Allah Bayoumi, a 30-year-old farmer, came home earlier this month from Iraq from a job where he had been earning more than \$20 a day, to the prospect of work in the Egyptian countryside for a fraction of his Iraqi wage. "You can't live on the money they pay here," he said.

But Mr Bayoumi had absolutely no desire to return. Instead, he was thinking of going to Libya to look for work. "Even if they give me a billion dollars a year," he declared, "I wouldn't go back to Iraq."

Iraq 'will destroy oilfields' as airline is abolished

By Richard Lapper

IRAQ yesterday threatened to destroy oilfields throughout the Gulf if it attacked and said it would use all weapons at its disposal.

"Iraq's strategic plan if it is attacked militarily is to destroy all oilfields in the region," Mr Latif Nassif Jassam, the Information Minister, was quoted as saying by the Jordanian news agency.

Oil industry analysts said damaging an oilfield would be difficult but that refinery facilities and pipelines are considerably more vulnerable.

Obvious targets would be the industrial and refining complexes at Jubail and Ras Tanura along the east coast of Saudi Arabia, but the density of US troops deployed nearby might rule this out.

More vulnerable would be the pipelines across Saudi Arabia to the Red Sea port of Yanbu which carries 2m-3m barrels a day of crude oil for export, although they would be relatively easy to repair if breached.

The pipelines were used to carry Iraqi crude for export until the crisis, when the Saudi government cut the flow of Iraqi oil.

More likely is damage to the refineries in Kuwait as part of a scorched-earth policy, should Iraqi troops leave the country.

The oil markets are rife with speculation that Iraq has started stripping the refineries. Before the invasion, Kuwait was exporting around 750,000 barrels a day of products from refineries which analysts say could cost over \$2bn to rebuild.

In oil markets yesterday, the benchmark North Sea Brent crude price for November closed \$9.55 higher at \$33.

Traders said unconfirmed reports of corrosion problems on Saudi Arabian pipelines had helped to boost a nervous market.

Petroleum products markets showed increasing signs of shortages in Europe.

Doubts over insurance as airline is abolished

By Richard Lapper

THE apparent abolition by the Iraqi authorities of Kuwait Airways has added to the confusion surrounding a multi-million dollar insurance payout by underwriters at the Lloyd's insurance market in London.

Iraq abolished Kuwait's national airline and merged its aircraft and other assets with Iraqi Airways yesterday, according to Al-Neda, a daily newspaper published in occupied Kuwait.

The announcement came just a day after London insurers agreed to pay their portion of a \$200m (£18m) insurance claim compensating Kuwait Airways for the loss of 15 aircraft confiscated by Iraq on August 2. There is now some uncertainty as to whether the insurance payout will go ahead.

A total of \$228m, which would represent the biggest insurance claim to result from the current round of hostilities in the Gulf, is at stake.

Insurance on the aircraft was originally placed by

Kuwait Airways with the Kuwaiti Insurance Company and four other local insurers.

Insurance brokers Willis Faber & Dumas placed reinsurance and war risks reinsurance in the London insurance market on behalf of the Kuwaiti insurers.

Merrett Underwriting Agencies, which manages the Lloyd's syndicate that led the reinsurance policy, agreed to settle the claim on Tuesday, subject to "satisfaction on entitlement, legitimacy of payment, and appropriate safeguards".

Although Merrett denies there is any dispute about the claim itself, the effective disappearance of Kuwait Airways in Kuwait could create doubt about whom the claim should be paid to.

The Bank of England withdrew permission for payments to be made to either Kuwaiti or Iraqi insurers and reinsurers as well as assureds resident in these countries without DTI permission on September 13.

Oil price rises 'will hit growth rates in Europe'

By Lucy Kellaway in Brussels

THE recent \$10-a-barrel rise in the oil price could knock 1.5 percentage points off European growth rates if sustained for a year, Mr Antonio Cardoso e Cunha, the EC Energy Commissioner, warned yesterday.

In the Commissioner's first official response to the oil crisis, Mr Cardoso said that every \$10 price rise would reduce directly economic growth by 0.5 points, but that the indirect effects made the total two to three times as large.

In oil markets yesterday, the benchmark North Sea Brent crude price for November closed \$9.55 higher at \$33. Traders said unconfirmed reports of corrosion problems on Saudi Arabian pipelines had helped to boost a nervous market.

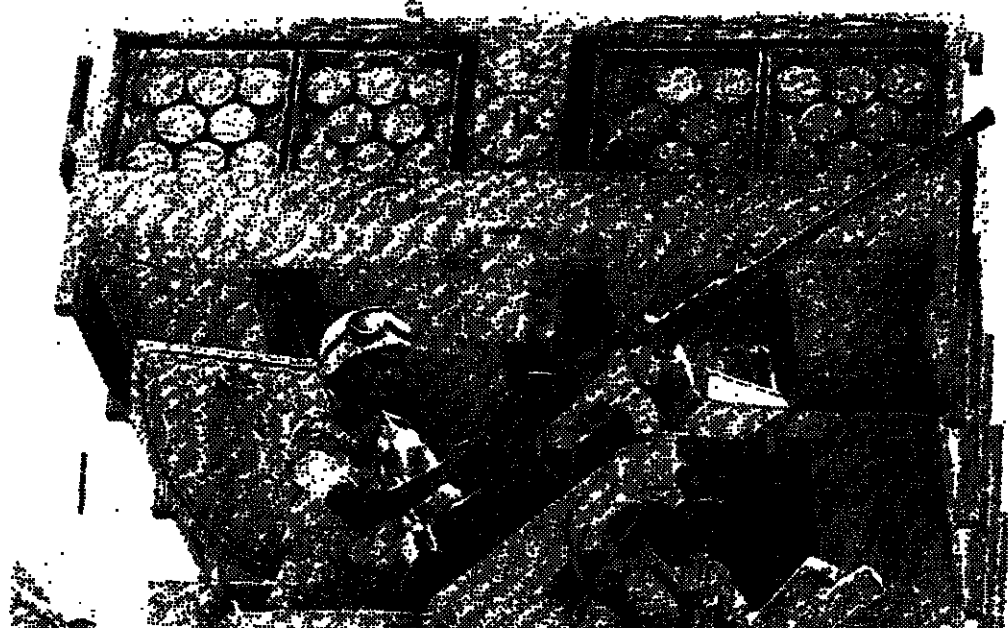
Petroleum products markets showed increasing signs of shortages in Europe.

The commissioner said a package of energy-saving measures would be put to ministers at the next energy council, at the end of next month.

The modest proposals come despite rising pressure on the commission and the council to act.

Earlier this week Mr Willy Claes, the Belgian foreign minister, wrote to the Commission and to the Italian president of the Council pressing for an urgent meeting so that firm action could be taken.

Mr Cardoso spoke out against any need to start running down strategic oil stocks. To do so would have a bad psychological effect on the market by sending out a "destabilising signal".



A Saudi Arabian soldier mans a Brazilian-made Astral II mobile missile launcher near the front line in the desert

British company worker faces trial

By Jimmy Burns

AN employee of a British company which has been operating in Iraq throughout the Gulf crisis is to be put on trial for trying to leave the country without a visa.

The employee, who has an Irish passport, was working as an administrator for the Rotary Group, one of several companies involved in a £150m project to build a new administrative palace for President Saddam Hussein.

Rotary, which has its head

offices in Northern Ireland, said last night it was "very concerned" about the case after being told by lawyers in Baghdad that the employee could face a maximum prison sentence of 15 years if found guilty.

Rotary, together with the construction group Mivan, the other UK company involved in the palace project, may have to write off up to £3m in outstanding payments owed by the Iraqis. Rotary said it also

expected \$300,000 of vehicles and machinery to be seized.

British companies now appear to accept that contracts in which they were involved, but which were not yet completed, will now have to be abandoned.

Rotary, which has continued its contractual involvement with two big water-treatment works in Iraq said last night that its main priority now was to get 25 employees out of the country.

Tokyo, GCC set up fund to distribute Japanese contributions

By Ian Rodger in Tokyo

THE Japanese government and the Gulf Co-operation Council (GCC) are creating a fund to distribute Japanese contributions to the Saudis and other forces operating in the Gulf region.

The Gulf Peace Fund is set to receive nearly \$900m (£496m) of the \$1bn pledged by Tokyo on August 29, and will probably receive a large portion of the further \$1bn pledged last Friday.

The fund is being set up mainly because the Japanese government has no legal framework enabling it to

make direct contributions of cash and goods to foreign governments, other than those of developing countries.

Also, the fund's administrators will be able to allocate money in ways that might cause controversy if selected by the government directly. For example, if the government hired aircraft to carry military equipment or ammunition, some in Japan might feel that this breached the country's pacifist constitution.

The fund will be administered by a committee composed of the Japanese

ambassador in Saudi Arabia, Mr Takashi Ono, and GCC secretary-general Mr Abdullah Yacoub Bishara.

In keeping with Japan's constitution, the fund will not be allowed to allocate money for purchases of ammunition or military equipment. However, it will be allowed to pay for the transport of military equipment.

Japanese officials acknowledge that by far the largest portion of the funds will be allocated, either directly or indirectly, in support of the US forces.

The US government put tremen-

dous pressure on Tokyo last month to contribute to the costs of its forces in the Gulf. US and Japanese officials have been working closely on lists of items, such as refrigerators, air-conditioning equipment, tents, portable generators and water purification equipment, that Japan could buy and deliver.

The remaining \$100m of the first \$1bn pledge will be administered directly by the Japanese government, and will be used to buy and transport, among other things, medical teams and supplies.

to other governments to enable them to buy goods and services for their efforts in the Gulf.

In keeping with Japan's constitution, the fund will not be allowed to allocate money for purchases of ammunition or military equipment. However, it will be allowed to pay for the transport of military equipment.

Japanese officials acknowledge that by far the largest portion of the funds will be allocated, either directly or indirectly, in support of the US forces.

The US government put tremen-

dous pressure on Tokyo last month to contribute to the costs of its forces in the Gulf. US and Japanese officials have been working closely on lists of items, such as refrigerators, air-conditioning equipment, tents, portable generators and water purification equipment, that Japan could buy and deliver.

The remaining \$100m of the first \$1bn pledge will be administered directly by the Japanese government, and will be used to buy and transport, among other things, medical teams and supplies.

Japanese officials acknowledge that by far the largest portion of the funds will be allocated, either directly or indirectly, in support of the US forces.

The US government put tremen-

NEWS IN BRIEF

Saudis win 'full support' from China

CHINA voiced its "full support" yesterday for measures taken by Saudi Arabia to defend itself against Iraq, Prince Saud al-Faisal, Saudi Foreign Minister, said during an official visit, Reuters reports from Beijing.

Diplomats said China had apparently softened its position. Previously it had criticised what it called "big power" involvement in the Gulf, meaning the deployment of US forces.

Refugees' housing problem

The new influx of Kuwaiti refugees has stretched the Saudi Government's ability to provide some 300,000 Kuwaitis in Saudi Arabia with adequate housing, Lara Marlowe reports from Khafji. Saudi officials said an additional 14,000 refugees had entered the kingdom since the Iraqi occupation army re-opened the coastal highway between Kuwait and Saudi Arabia at the weekend.

German compensation study

The West German Economics Ministry is looking at the claims of companies which have lost business through the boycott of trade with Iraq and Kuwait to see if there is any basis for providing compensation, Andrew Fisher reports from Frankfurt.

About 40 companies have approached the ministry with claims that range from DM80,000 to DM30m (£10.1m).

Arab partnership revived

Four Arab countries are reviving the Arab Organisation for Industrialisation, a military manufacturing partnership that will make weapons for Kuwaitis resisting Iraqi occupation, reports AP from Cairo.

Egypt's partners in the joint venture are Saudi Arabia, the United Arab Emirates and Qatar. Egypt and the three Gulf states founded the organisation in 1975.

Iraq thrown out of games

The Olympic Council of Asia yesterday threw Iraq out of the Asian Games, which open in Peking in two days, Reuters reports from Peking. The OCA general assembly voted by 27 to 3 to suspend Iraq from the Games over its annexation of fellow OCA member Kuwait.

Jordan, Algeria, Morocco meet

A meeting of Algeria's President Chadli Bendjedid, Jordan's King Hussein and Morocco's King Hassan II, ended yesterday without a final communiqué on the Gulf crisis, agencies report from Rabat.

The three participants conferred in King Hussein's summer residence near Rabat for nine hours. Sources said they discussed a possible peace plan that would include a face-saving formula for Iraq's Saddam Hussein.

Captured minister dead

The International Committee of the Red Cross has told Iran its former oil minister Mohammad Javad Tondguyan, taken prisoner by Iraq in 1981, is dead. Deputy Foreign Minister Manuchehr Mottaki said yesterday, Reuters reports from Nicosia.

The official Iranian news agency IRNA quoted Mr Mottaki as saying the ICRC had told the foreign ministry that "engineer Tondguyan has been martyred".

Nationwide Anglia Fifth Rented Housing Business Expansion Scheme Fund.

Nationwide Anglia Fund Management Ltd announce their Fifth Rented Housing Business Expansion Scheme Fund.

All you need to participate is a minimum investment of £2,000. The Fund you contribute to will then be invested in carefully selected rented housing companies in different parts of the country.

HOW TO APPLY

You can obtain a copy of the Scheme Particulars and Acceptance Form by telephoning 0604 495 707 (24 hours).

Or you can complete the coupon and return it to the FREEPOST address provided.

All investments into the Fund must be received by 5pm on the 5th October 1990. In the event of the Fund being heavily subscribed, Nationwide Anglia Fund Management Ltd can bring this closing date forward.

The offer to subscribe to the Fund must be accepted only on the terms and conditions set out in the Scheme Particulars and Acceptance Form.

The Fund is approved by the Inland Revenue under the Income and Corporation Taxes Act of 1988.

Remember, investments in unquoted companies carry higher risks than investments in quoted companies. We therefore recommend that investors seek expert advice from an Independent Financial Adviser before investing.

Telephone 0604 495 707 (24 hours)

Please post to Nationwide Anglia Building Society, BES Fund, FREEPOST, Moulton Park, Northampton NN3 1BR.

Please send me the Nationwide Anglia Fifth Rented Housing BES Fund Scheme Particulars and Acceptance Form. (BLOCK CAPITALS PLEASE)

NAME _____

ADDRESS _____

POSTCODE _____

Nationwide Anglia Fund Management Ltd.

A wholly owned subsidiary of Nationwide Anglia Building Society. Registered Office, Chesterfield House, Bloomsbury Way, London WC1N 4JW

WORLD TRADE NEWS

NEC and China agree electronics joint ventures

By Robert Thomson in Tokyo

NEC, the Japanese electronics company, yesterday announced two Chinese joint venture contracts, with investments totalling about ¥94.5bn (£132m), to produce digital electronic switching systems and large-scale integrated circuits.

The contracts - subject to approval by the Japanese Government and Cocom, the Paris-based organisation which monitors the export of sensitive products with potential strategic applications - will significantly advance China's computer and telecommunications industries, and are the first of their kind with a Japanese electronics company.

NEC will take a 40 per cent share in a ¥28bn venture with Peking's Capital Iron and Steel Works to produce large-scale integrated circuits (LSI), which could be used in a wide range of consumer electronics and telecommunications equipment.

Depending on approval for the technology transfer, the plant will produce 25m of the integrated circuits in the first year of operation and 50m annually after four years. After the fourth year the joint venture company, the Shougang-NEC Electronics Company, is

expected to employ 800 people. Two European companies, BTM of Belgium and Philips, have already established joint ventures to produce LSI, but the NEC investment will be particularly welcomed by the Chinese Government, which has long complained about the reluctance of Japanese companies to transfer high-technology.

The second NEC joint venture will be based in the northern port city of Tianjin. It will produce digital electronic switching systems needed to overhaul China's antiquated telephone system.

NEC will have a 35 per cent share, the Tianjin Zhonghuan Computer company will hold 45 per cent, the Tianjin Post and Telecommunications Administration will have 15 per cent, and Sumitomo Corp, the Japanese general trading house, will take 5 per cent.

The venture is expected to produce 50,000 lines in its first year of operation and 300,000 annually after four years, although plans will also need Japanese Government and Cocom approval.

An NEC spokesman said the company was confident approval would be granted.

UK media groups lift overseas earnings

By Raymond Snoddy

FILMS such as Shirley Valentine and Great Expectations helped push the total overseas net earnings of UK film and TV companies up to £77m last year, from a revised £49m in 1988.

The overseas receipts of film companies increased from £235m in 1988 to £253m last year, while overseas expenditure rose from £185m to £204m.

For TV companies, net overseas earnings rose from £7m in 1988 to £15m last year.

The annual survey from the Central Statistical Office also found an increase in overseas receipts from both western Europe and North America.

Just under a third of total overseas receipts came from EC countries in 1989, with North America accounting for less than half.

Before 1985 North America had accounted for a much higher proportion of overall receipts. Last year 57 per cent of income from overseas screening of British films came from cinema and video release, 37 per cent from terrestrial TV, and the rest from cable and satellite.

Collor and Menem pragmatic on common market

John Barham on South American plans to form a common market with the ultimate aim of economic unity

BRAZIL, Argentina, Paraguay and Uruguay plan to form a common market in four years, with full economic and political union as the final objective.

Committees will meet regularly to hammer out common policies on issues that range from the recondite - like weights and measures - to trade-related monetary and fiscal policies.

As befits the austere times, Mr Juan Schiaretti, chief Argentine integration negotiator, said: "We are avoiding creating a bureaucracy, with cars and chauffeurs, flags and so on. We have seen enough of empty structures without any content. This time, we'll create the content first and then the structures."

Regional integration, a traditional but nebulous Latin American aspiration, never prospered because Argentina and Brazil tried to build self-contained economies. Their failure coincides with the global vogue for integration and free markets.

Presidents Carlos Menem of Argentina and Fernando Collor de Mello of Brazil decided last July to revive the moribund integration process begun by their predecessors, Mr Raul Alfonsin and Mr Jose Sarney. Buenos Aires and Brasilia now view full integration as an urgent priority as the world divides into economic blocs.

The Bush Administration has launched a series of initiatives designed ultimately to lead to a hemispheric-wide free trade area, Nancy Dunne writes from Washington. The US Trade Representative's office has begun discussions with Argentina, Brazil, Uruguay and Paraguay - together as a group - with the immediate goal being a 'framework agreement'. These pacts address specific trade and investment policy concerns and lay the ground for movement towards an FTA. Framework agreements have already been signed with Colombia and Ecuador; discussions are under way for similar agreements with several other countries, including Venezuela, Costa Rica and Chile. President Bush is soon expected formally to notify Congress of his intent to negotiate an FTA with Mexico. In 1987 the two countries signed a framework agreement, which established a consultative mechanism to discuss trade issues and resolve differences. It also established 10 joint working groups to focus on agriculture, services, investment, intellectual property rights, tariffs and industry.

For the first time the presidents of Brazil and Argentina are pursuing broadly similar free-market policies to tackle broadly similar problems - inflation, debt and uncompetitive industry. The two men have even won a common nickname - Collor de Menem.

Paraguay and Uruguay have little choice but to join in as they depend so heavily on their neighbours. Paraguay thrives as the black market entrepot of Argentina and Brazil, supplying goods still banned by both countries' protectionist policies. Uruguay's offshore banking industry handles part of the estimated \$40bn (£21.6bn) in flight capital Argentines have sent abroad.

Free trade in Brazil and Argentina will come as a severe wrench for these two niche economies, whose only other important economic activity is farming.

Chile, Latin America's free-market trailblazer, is biding its time. Some believe the Chileans set greater store by President George Bush's proposal for a free trade zone that would stretch "from Alaska to Tierra del Fuego".

Argentina sees integration as a lifeboat that will save its drowning industry, providing access to the large Brazilian economy. Brazil has displaced the US as Argentina's leading trade partner, taking 12 per cent of Argentine exports. Last

year Argentina exported \$1.1bn to Brazil, earning a \$408m surplus.

Brasilia and Buenos Aires have begun harmonising foreign and trade policies. They have one big interest in common - opposition to US and European Community subsidies that undermine wheat, soya and oil seed export prices. The EC has made it clear it would prefer to negotiate these and other issues bloc to bloc, rather than individually with countries.

Argentina and Brazil plan common negotiating positions to win trade concessions in the General Agreement on Tariffs and Trade for opening their domestic economies to imports. They are planning a common response to the Bush initiative.

However, many Argentine businessmen fear the supposedly more efficient Brazilian industry. One prominent businessman said: "We are worried about integration. We will have to compete with foreign industries accustomed to economies of scale. Integration must be carefully negotiated."

But Mr Julio Vieiro, sales director at Bidas SAPI, an independent Argentine oil company, disagrees: "People always react to change with fear and try to protect themselves, but we are all learning to adjust." Diplomats say that business sentiment is changing in both



Carlos Menem: nickname countries but obstacles of varying magnitude still divide Argentina and Brazil.

A member of the Menem administration said: "Argentina is further ahead in opening its economy than Brazil. It does not have exchange controls, Brazil still does. Argentina makes token interest payments to foreign banks. This is unpopular with the Brazilians, who pay nothing. These questions are going to take a long time to be settled."

Furthermore, progress in the struggle against inflation, protectionism and public sector reform will not be uniform in any of the economies. Doubtless in the art of complaining, Page 6

Negotiators optimistic over IPR agreement

By William Duffell in Geneva

PROSPECTS FOR an agreement on intellectual property rights (IPR) at the Uruguay Round trade talks have improved after two weeks of intensive discussions in Geneva.

None of the significant quarrels between the big industrial countries over patents, copyright, geographical appellations and industrial designs has been settled. Nor have developing countries abandoned opposition to a new fully fledged IPR accord fitted into the General Agreement on Tariffs and Trade.

But by subjecting crucial issues to close scrutiny it has been possible to discard options and pare differences down to essentials, officials say.

Mr Lars Anell, chairman of the IPR negotiating group, is to prepare a simplified draft text of an agreement, on which negotiators will resume work for a two-week period from October 8.

The US team, which returned to Geneva after the August break with more flexible instructions, feels it has been unable to evoke corresponding flexibility from EC negotiators.

However, one senior official felt there were only two obstacles to completion of a substantial IPR agreement. First, the collapse of talks in other areas of the Round could rebound on IPR and, second, the US might reject an agreement which would entail important changes to its domestic laws.

On some issues the US is becoming increasingly isolated. It wants to stick to its first-invent principle for patent protection, while other countries insist protection be given to the first person to file for a patent. And Washington's argument that the Berne copyright convention does not cover the moral rights of an author to decide how his work is handled is rejected by almost all other countries.

EC close to settling row with Canada over fishing

THE European Community's executive commission said yesterday that its only real row with Canada could end soon following a broad agreement to limit fishing catches in the north Atlantic. Baster reports.

The EC ended four years of dissent within the North Atlantic Fisheries Organisation (Nafu) last week by accepting proposals to restrict its fishing in international waters off the Canadian coast.

"The convergence of views seen at the last Nafu meeting could form the basis for stable and positive relations between the EC and Canada in the fishing sector," said Mr Manuel Marin, EC fisheries commissioner.

It could "put an end to a situation which threatened to sour bilateral relations in general," he said.

The two sides have argued since 1986 about claims that EC overfishing in the north Atlantic has severely reduced migratory fish stocks in Canada's exclusive coastal zone.

The EC has repeatedly rejected Nafu's attempts to curtail its fishing activities, complaining that Canada dominates the 12-member organisation and disputing the scientific basis of proposed quota cuts.

But the EC's agreement last week to keep its catches of seven out of 11 fish stocks, notably plaice and yellowtail, within Nafu limits may herald an end to what has been the only blot on EC-Canadian relations.

"It's very heartening to see some movement," one Canadian diplomat said. "Commissioner Marin's dedication to trying to ensure conservation measures are applied is clearly understood."

But he noted that the Community had not toed the Nafu line on four fish stocks, including a ban on fishing for cod in an area known as the "nose" of the Grand Banks of Newfoundland. "These are still serious causes for concern," he said.

The diplomat said there was some way to go before Canada could consider granting EC boats free access to its ports and the right to fish its exclusive coastal waters, privileges enjoyed by Nafu members which stick to the organisation's quotas.

Much would depend on whether EC fisheries ministers decided to set their own higher quotas for the contested stocks, as they have done in past years, he said.

The ministers are due to consider the issue in December.

Snorre oilfield contract award

SAGA PETROLEUM, Norway's biggest independent oil company, yesterday awarded a contract to Aker Drilling, a member of the large Norwegian Aker group, for production drilling in Snorre, an oilfield currently being developed in the Norwegian North Sea.

Snorre is the first oilfield to be developed by Saga Petroleum. The field has reserves estimated at 120m cu m of oil, 5.8bn cu m of gas, and 2.7m tonnes of NGLs.

Aker Drilling's contract is for a five-year period with a four-year option. It also calls for Aker to undertake drilling of water injection wells in which water will be injected into the reservoir to help maintain pressure to enable the oil to be more easily produced.



YESTERDAY

Some of the finest minds in software helped to found Software Publishing Corporation ten years ago.

And what happened next happened fast.

We achieved a ranking in the world's top five suppliers of software and Harvard Graphics became the world's best-selling business graphics package.

Business users discovered they could communicate ideas and data with greater style and impact more successfully than ever before.

Yet all of that was yesterday.

TODAY

HARVARD GRAPHICS 2.3 HAS ARRIVED

For importing and analyzing even the most complex of data, making fast and accurate projections and outstanding presentations, Harvard Graphics 2.3 is quite simply the most flexible, versatile and complete package available today.

With Harvard Graphics 2.3 you are closer to a more exciting tomorrow.

TOMORROW

How well are you prepared for tomorrow? How well equipped?

Harvard Graphics 2.3 has galleries of chart styles and colour palettes for instant access to dynamic, multicoloured graphics. Full drawing capabilities and a comprehensive library of maps and symbols are an integrated part of the program.

Direct import from Lotus 1-2-3, Microsoft Excel, and other industry standard packages.

And introducing an industry first - HyperShow. A unique development enabling you to use your PC for powerful, infinitely versatile presentations through the ability to edit or elaborate in mid flow.

To receive your free information pack or details on how to upgrade ring the following number: 0800 181819.



BECAUSE SO MUCH IS HAPPENING SO FAST.

Software Publishing Corporation Europe, Pyramid House, Easthampstead Road, Bracknell, Berkshire RG12 1YQ.

SPC SOFTWARE PUBLISHING CORPORATION

The Financial Times (Europe) Ltd. Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Gruellstrasse 54, 6000 Frankfurt-am-Main 1; Telephone 069-75980; Fax 069-722677; Telex 416193) represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McCann, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurt Societäts-Druckerei GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen. Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1990.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited, Publishing director: B. Hughes, 168 Rue de Rivoli, 75004 Paris Cedex 01. Tel: (01) 4297 0621; Fax: (01) 4297 0629. Editor: Sir Geoffrey Owen. Printer: SA Nord Editeur, 1501 Rue de Camille, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Ostergade 44, DK-1100 Copenhagen-K, Denmark. Telephone (33) 14 44 41. Fax (33) 935335.

AMERICAN NEWS

Democrats consider bill to delay budget cuts

By Peter Riddell, US Editor, in Washington

DEMOCRAT congressional leaders are considering proposals to delay the impact of across-the-board spending cuts of up to \$100bn which will come into effect in 10 days unless there is a breakthrough in stalled talks to reduce the US budget deficit.

The cuts, known as sequestration, would be triggered automatically under the Gramm-Rudman deficit reduction law and would affect a wide range of domestic programmes.

However, there were reports yesterday that Mr Jamie Whitten, Democrat chairman of the House Appropriations Committee, would propose a short-term spending bill to finance the federal government during the opening weeks of the new fiscal year, starting on October 1.

The measure would delay the impact of the Gramm-Rudman cuts and provide the \$1.8bn sought by the administration to finance the immediate additional military costs of the Gulf operation.

Such a measure would give both sides more breathing space, although Senator Robert Dole, the Republican minority leader, has signalled opposition to any suspension of the Gramm-Rudman law. He has circulated a letter urging Republican support should President George Bush be forced to veto any short-term spending bill.

A small group of White House officials and congressional leaders resumed talks yesterday to secure an agreement. Both parties are preparing campaigns to blame the other, ahead of mid-term elections.

Anti-drug journalist kidnapped in Colombia

By Serita Kendall in Bogotá

A LEADING Colombian journalist has been kidnapped in the latest of a series of attacks which suggests that the country's drug cartels want to force the government into peace talks with them.

Mr Francisco Santos Calderón, 28-year-old news editor of the national daily El Tiempo, was taken by armed men on Wednesday evening after he left his office. The driver of his bullet-proof car was shot dead by the kidnappers when Mr Santos opened the door to see what was happening.

He has written many hard-hitting editorials on drug trafficking and the country's guerrilla factions. He advocated no concessions in the drug war and seems to have been threatened in recent months.

There is no confirmation

that he was kidnapped by drugtraffickers, but the circumstances and the style of the operation point to the Medellín cartel, which has taken key people hostage when trying to bargain with the government.

The disappearance of Miss Diana Turbay, another journalist and the daughter of former President Julio César Turbay, is also being attributed to cocaine traffickers. She and five others left the capital Bogotá at the end of August, supposedly to interview members of the command of the ELN left-wing guerrilla movement.

The ELN and the national guerrilla co-ordinating group have denied any contact with Miss Turbay. Her father said yesterday he had no reason to believe she was being held

against her will. The opposition newspaper La Prensa reported on Wednesday that Miss Turbay was in the hands of the Medellín cartel.

A communiqué this week from the Extraditables, drug-traffickers under threat of extradition to the US for trial, said they were continuing their

truce. So far, no trafficker has taken advantage of the change in extradition legislation announced this month by President César Gaviria. This would allow trial in Colombia and reduced sentences for those who give themselves up and confess all their crimes.

Mr Gaviria has stressed that the government will not negotiate with traffickers and that the new, softer option would be dropped if the violence were to re-start.

Republican campaign in NY close to collapse

By Alan Friedman in New York

THE campaign of Mr Pierre Rinfret, the Republican opponent to Governor Mario Cuomo in New York's forthcoming gubernatorial election, is on the verge of collapse.

Mr Rinfret, a virtually unknown economist who was the 19th choice of New York Republicans to stand against the hugely popular Mr Cuomo, was reported yesterday to have told his party's leaders that his campaign was out of cash, and that he was ready to quit unless he received financial and political support.

The Republican candidate's office said yesterday that Mr Rinfret would issue a statement following meetings and discussions on the campaign.

Mr Rinfret's campaign manager resigned this week, saying he disagreed with Mr Rinfret's strategy of threatening members of his own party. Mr William Simon, the former Treasury Secretary who was Mr Rinfret's finance chairman, also quit.

Polls suggest Mr Rinfret, a former economic adviser to President Nixon, would only win 14.5 per cent of the votes.

Minister quits

VENEZUELAN Development Minister Mr Moises Nam, one of government's leading free-market advocates, is leaving for an executive position at World Bank headquarters in Washington, Joe Mann reports from Caracas.

His departure, which has not been fully explained, does not signal a reduction in the government's commitment to economic reform.

An authentic New England vote catcher

Lionel Barber on the Senate race in Rhode Island

DAY 46 in the Gulf crisis, but barely a peep has been heard from Senator Claiborne Pell.

As chairman of the Senate Foreign Relations committee, Mr Pell ought to be centre stage, emulating illustrious predecessors such as Mr William Fulbright or Mr Richard Lugar. Instead, the senior Senator from Rhode Island is sticking to what he does best: running a successful re-election campaign and establishing a 10 point lead in the latest polls.

This is no mean feat, because Republicans hunting for a victor in the November mid-term elections saw Rhode Island as one of their best shots. The party put forward an attractive candidate - Congresswoman Claudine Schneider - and strategists were privately confident that Mr Pell, 71, first elected to the Senate in 1960, was ripe for retirement.

But as Ms Schneider would be the first to admit, Mr Pell is proving to be a difficult man to beat. The Senator may be quirky (he recently promoted funding for extra sensory perception research at the Pentagon); but in an age of blundering politicians who speak in eight-second sound-bites, Mr Pell, with his quaint language and aristocratic mien, is Mr Authentic.

He also does what US Senators are supposed to do: pulling in millions of Federal dollars to the state. The ability to bring home "pork" has become all the more important now that the Rhode Island economy is stuck, like the rest of New England, in a recession.

Until the economic downturn, Mr Schneider looks the right type of liberal-minded Republican to take on Mr Pell. A former local TV producer, she first won her Congressional seat in 1980. Since then, she has established a strong track record on the environment - important in the "ocean state" - as well as retaining a clear "pro-choice" stance favouring a woman's

right to elect whether to have an abortion.

Ms Schneider's problem is that she has not provided a good reason to voters to dump Mr Pell, and the signs are she is getting desperate. Throughout the 1980s, Ms Schneider used to line up with market-oriented Republicans, even voting last year for Mr Newt Gingrich, the Georgia firebrand, as House minority whip; but this week Ms Schneider jumped ship and supported a protectionist Textile Bill granting temporary relief to domestic industry through worldwide quotas on imports to the US.

The Schneider flip-flop looks like an effort to appeal to voters worried about the local economy. Real estate has collapsed; frightened banks have all but stopped lending; unemployment is climbing; and as the empty department stores downtown in Providence suggest, consumer confidence has evaporated. "If there is a recession," says Mr Kevin Phillips, the conservative political analyst, "Claudine won't win."

Nor will Republican Governor Edward DiPrete. Three other (Democratic) governors in New England - Mr Michael Dukakis of Massachusetts, Ms Madeleine Kunin of Vermont, and Mr William O'Neill of Connecticut - all chose to bow out of office rather than face the wrath of a middle-class elector-

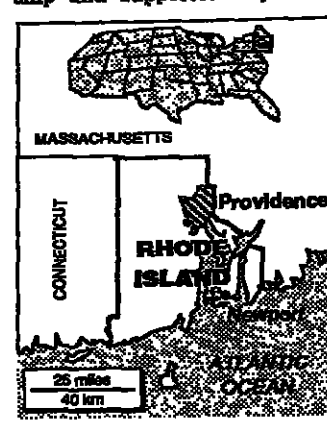
ate whose pockets are being pinched. But Mr DiPrete chose to stay on and do battle. "New York has the third lowest bond rating in the country," Massachusetts has the worst," he says, "but we still have a Double A rating."

A bond rating is not much to hang an election campaign on, so Mr DiPrete unveiled a plan this week to cut the number of state departments from 18 to 12 with prospective savings put at an ambitious \$15m. He also recast his successful 1985 election slogan of "The change we need" by turning himself into a reform candidate - but it all looks a bit late to beat off the challenge from Mr Bruce Sundlun, a self-made millionaire who is making his third bid to oust Mr DiPrete.

Mr DiPrete was very successful when he took office in promoting a pro business climate. He persuaded a Democratic legislature to pass a near 20 per cent cut in the state income tax, and repeal the generous unemployment benefits for strikers. But the budget shortfall, a stagnant population and worries about defence spending cuts (particularly in submarine programmes) raise questions about what comes next for Rhode Island.

Mr DiPrete told a bankers' luncheon this week that he expects the local economy to pull out of recession by late spring, but he appeared unsure about what factors would power future growth. Real estate was the best hope, he said, but "there is a big inventory out there."

The same is true for the rest of New England, and it is fueling the "throw the bums out" mood. So far, the state governors are identified as responsible for the mess. Like many other political analysts, Mr Phillips is wondering at what point the discontent will switch from the state houses to the national stage in Washington DC. This is the first in a series of articles on the US mid-term election campaign.



Argentina plans to permit dollar bank accounts

By John Barham in Buenos Aires

ARGENTINA plans to permit dollar bank accounts, recognising the de facto "dollarisation" of the economy. Officials hope the move will enable them to control both inflation and the economy.

Argentines hold untold billions of dollars in their homes as well as in foreign bank accounts. Most contracts and prices are tied to the dollar because the austral, Argentina's currency, has lost 99.99 per cent of its value in five years, the result of repeated bouts of hyperinflation.

Understandably, people shun the austral. Argentina's bank deposits are now equivalent to only 3.8 per cent of gross domestic product, a third less than in October last year. Although Argentina has no exchange controls, only the austral is legal tender.

Mr Javier Gonzalez Fraga, Central Bank president, said: "We are going to permit current accounts and cheques in dollars, but this in no way means that the US currency

will become legal tender. We are trying to facilitate a series of transactions which are taking place de facto to generate a new source of credit."

The plan will extend an existing scheme, under which banks offer dollar deposit accounts.

Economy Ministry officials say banks could increase loan maturities and reduce interest rates. Only very short term loans are available in australs, usually at strongly positive interest rates.

A 30-day loan can cost over 40 per cent a year in real terms. In comparison, dollar deposits in Buenos Aires yield around 8 per cent at an annual rate, about the same as in New York.

Mr Enrique Szewach, chief economist at Fiel, an economic think tank, has warned that de jure recognition of dollarisation threatens the austral with "sudden death" - which would limit the government's scope for financing its debts by printing money.

Argentine trade surplus points to recession

By John Barham in Buenos Aires

ARGENTINA'S first-half trade surplus rose to \$4.1bn - two thirds more than in the equivalent period last year.

However, this seeming advance in fact highlights the severity of Argentina's recession.

Collapsing domestic demand and investment levels have reduced demand for imports and increased exports. Exports, largely grains, rose by a quarter to \$5.7bn, while imports dwindled by 30 per cent to \$1.7bn.

Also, capital goods accounted for a falling proportion of Argentine imports, which reflected declining investment. Exports of manufactures are also declining as the austral increases in value, making foreign sales unprofitable.

Argentina's currency is now at its highest level in real terms for more than a decade.

Extracts from the Chairman's Statements



BLYVOORUITZICHT GOLD MINING COMPANY, LIMITED

Registration number 05/09743/06

HARMONY GOLD MINING COMPANY LIMITED

Registration number 05/38232/06

(Both companies incorporated in the Republic of South Africa)

IN SPITE OF A LACK LUSTRE GOLD PRICE PROFITS IMPROVED DUE TO TIGHT COST CONTROL.

Gold

The price declined to a two-year low of US\$356 per ounce in September 1989 but recovered strongly in the last quarter of 1989 as a result of good physical demand, political turbulence in Eastern Europe and the Soviet Union and a depreciating US dollar. Spot prices increased steadily after October 1989 reaching a peak of US\$420 in February 1990. Unfortunately, the price declined sharply in March 1990 following a major deposit by Middle Eastern investors. This occurred again in May and June and the price reached its lowest level in four years at US\$346 on 14 June 1990. It now stands at US\$382 per ounce the average price achieved in the twelve months to June 1990 and was five per cent lower than the average in 1989, representing the third consecutive year of declining gold prices.

Gold production from the Western world rose by about eight per cent in 1989 while South African production declined by two per cent. It is anticipated that world production will again rise in 1990.

Blyvooruitzicht Gold Mining Company, Limited

	1990	1989	% Change
OPERATING RESULTS			
Underground operations			
Tons milled - 000	1 708	1 818	-6
Gold produced - kilograms	8 817	9 303	-5
Yield grams per ton milled	5.16	5.12	+1
Revenue - per ton milled	R169.27	R165.92	+2
Cost - per ton milled	R159.46	R152.58	+5
Profit - per ton milled	R9.81	R13.33	-26
Cost - per kilogram produced	R20 891	R20 819	+4
Profit - per kilogram produced	R1 898	R2 602	-27
Surface operations			
Tons milled - 000	621	420	+48
Gold produced - kilograms	597	449	+33
Yield - grams per ton milled	9.66	1.07	-10
Revenue - per ton milled	R21.52	R24.64	-12
Cost - per ton milled	R19.43	R20.14	-4
Profit - per ton milled	R2.09	R4.50	-54
Cost - per kilogram produced	R20 212	R18 850	+7
Profit - per kilogram produced	R12 577	R13 571	-7
GOLD PRICE RECEIVED			
Per kilogram	R32 789	R32 421	+1
FINANCIAL RESULTS			
Working revenue	308 688	316 193	-2
Working expenditure	294 436	285 874	-7
Working profit	24 253	30 319	-20
Taxation	4 474	3 328	+34
Profit before appropriations	22 585	31 602	-28
Appropriations for net expenditure on mining assets	3 621	19 375	-80
Profit after taxation and appropriations	18 764	12 227	+53
Earnings - cents per share	78	51	+53
Dividends - cents per share	35	35	-

	1990	1989	% Change
OPERATING RESULTS			
Tons milled - 000	9 710	9 477	+2
Gold produced - kilograms	29 637	28 555	+4
Yield grams per ton milled	3.06	3.01	+1
Total revenue per ton milled	R89.45	R89.33	+0
Total cost per ton milled	R85.68	R83.27	+3
Working profit per ton milled	R3.77	R6.06	-38
Working cost per kilogram of gold produced	R21 347	R20 955	+2
Working profit per kilogram of gold produced	R1 241	R1 384	-10
GOLD PRICE RECEIVED			
Per kilogram	R32 588	R32 339	+1
FINANCIAL RESULTS			
Working revenue	R300's 965 745	R300's 941 357	+3
Total revenue	965 745	523 619	+5
Gold and silver		17 738	-100
Uranium, pyrite and sulphuric acid			
Costs			
Working profit	36 712	57 444	-36
Interest received	22 402	16 985	+32
Taxation and State's share of profit	(11 201)	(7 364)	+52
Profit after taxation and State's share of profit	47 913	67 065	-29
Appropriations for net expenditure on mining assets	18 820	40 018	-53
Profit after taxation and appropriations	29 093	27 047	+8
Earnings - cents per share	108	101	+7
Dividends - cents per share	50	145	-66

Harmony Gold Mining Company Limited

	1990	1989	% Change
OPERATING RESULTS			
Tons milled - 000	9 710	9 477	+2
Gold produced - kilograms	29 637	28 555	+4
Yield grams per ton milled	3.06	3.01	+1
Total revenue per ton milled	R89.45	R89.33	+0
Total cost per ton milled	R85.68	R83.27	+3
Working profit per ton milled	R3.77	R6.06	-38
Working cost per kilogram of gold produced	R21 347	R20 955	+2
Working profit per kilogram of gold produced	R1 241	R1 384	-10
GOLD PRICE RECEIVED			
Per kilogram	R32 588	R32 339	+1
FINANCIAL RESULTS			
Working revenue	R300's 965 745	R300's 941 357	+3
Total revenue	965 745	523 619	+5
Gold and silver		17 738	-100
Uranium, pyrite and sulphuric acid			
Costs			
Working profit	36 712	57 444	-36
Interest received	22 402	16 985	+32
Taxation and State's share of profit	(11 201)	(7 364)	+52
Profit after taxation and State's share of profit	47 913	67 065	-29
Appropriations for net expenditure on mining assets	18 820	40 018	-53
Profit after taxation and appropriations	29 093	27 047	+8
Earnings - cents per share	108	101	+7
Dividends - cents per share	50	145	-66

Overview

The mine turned in a creditable performance during the year in spite of a disappointing gold price. Costs were well contained, rising by five per cent in a year during which the industry experienced double digit inflation. As anticipated in my statement last year, a record breaking 9.7 million tons of ore were milled. This achievement, accompanied by a slight improvement in grade, resulted in a four per cent increase in gold production. The consequent increase in revenue more than offset the loss of R17.7 million from uranium sales following the depletion of the stockpile last year after production ceased at the end of 1988.

In the face of a rapidly diminishing profit margin, it was necessary to effect certain rationalisations to the operations during the year in order to maintain profitability. This action resulted in the cost of producing a kilogram of gold increasing by one per cent to R21 347 per kilogram notwithstanding the average increase of twelve per cent sustained by the industry. This follows an increase of only three per cent in the mine's costs in the previous year - a commendable achievement by any standards.

The gold price did not meet expectations rising by one per cent to average R32 588 per kilogram. The mine's profit to revenue ratio remained below six per cent so that no liability for mining formulae taxation occurred.

As part of the rationalisation programme, capital expenditure was severely curtailed totalling R18.7 million compared with R43.1 million spent in 1989. This aided by an increase in interest earned, offset the lower working profit, resulting in profits after appropriations increasing by eight per cent to R29.1 million (1989: R27.0 million).

Human Resources

As a result of the rationalisation programme aimed at improving productivity, the work force declined by some 4,600 employees in the first quarter of the financial year. Retrenchment benefits were paid to those employees for whom alternative employment could not be secured.

During 1990 the number of unskilled and semi-skilled employees joining the National Union of Mineworkers increased to the extent that this union was officially recognised in the negotiations on improvements to conditions of service, wage increases were granted and various other employment conditions improved.

Regrettably, production during July and August this year has been adversely affected by a number of violent strikes and other disruptive tactics. Certain grievances have been identified and these are being addressed by the management and the various employee bodies.

Outlook

The timely implementation of the rationalisation plan enabled the company to remain profitable through much of the past year despite the pedestrian performance of the gold price. However, the narrow profit margin makes the mine extremely vulnerable to any adverse changes in grade and gold price. Emphasis will continue to be placed on improving productivity and containing cost increases. More rationalisations may become necessary if the profit margins are further eroded. Under these circumstances, it is difficult to forecast profits and dividends for the year ahead.

C.G.Knobbs

14th September 1990

C.G.Knobbs

14th September 1990

The annual financial statements and chairman's statements may be obtained from Barclays Registrars Limited, 6 Grencoct Place, London, SW1P 1PL.

This notice is published by way of information only

SGS Société Générale de Surveillance Holding S.A.

Notice

to the Holders of Warrants to acquire Bons de Jouissance, Category A (the "Bons"), without par value of Société Générale de Surveillance Holding S.A. (the "Company")

issued by the Company together with US\$ 100 000 000 3% Notes due 1996 issued on a fiduciary basis by Union de Banques Suisses (Luxembourg) S.A. representing beneficial interests in a loan made to SGS Finance (Luxembourg) S.A. guaranteed by the Company.

Notice is hereby given that the Board of Directors of the Company will propose to the Extraordinary General Shareholders Meeting to be held on October 12, 1990 that the share capital be raised from Sfr. 38,511 million to Sfr. 175,143 million by issuing new registered and bearer shares to be offered to present shareholders. In this connection, the present holders of Bons will receive subscription rights for new Bons with warrants at the rate of 3 new Bons and 5 new warrants for each Bon held at a price of Sfr. 100.- per new unit (each scribble to new bearer shares at the rate of 1 bearer share for each 50 warrants at a price of Sfr. 4000.- per new bearer share).

Provided that the above mentioned capital market transaction will be approved and carried out in the form planned, the exercise price of the warrants 1986-1991 will be reduced, effective as of 19th October, 1990, in accordance with the formulas described in Article 50 of warrant conditions. The new warrant exercise price will be announced as soon as possible after this date.

The holders of warrants 1986-1991 who wish to participate in the above described transaction will have to exercise their warrants

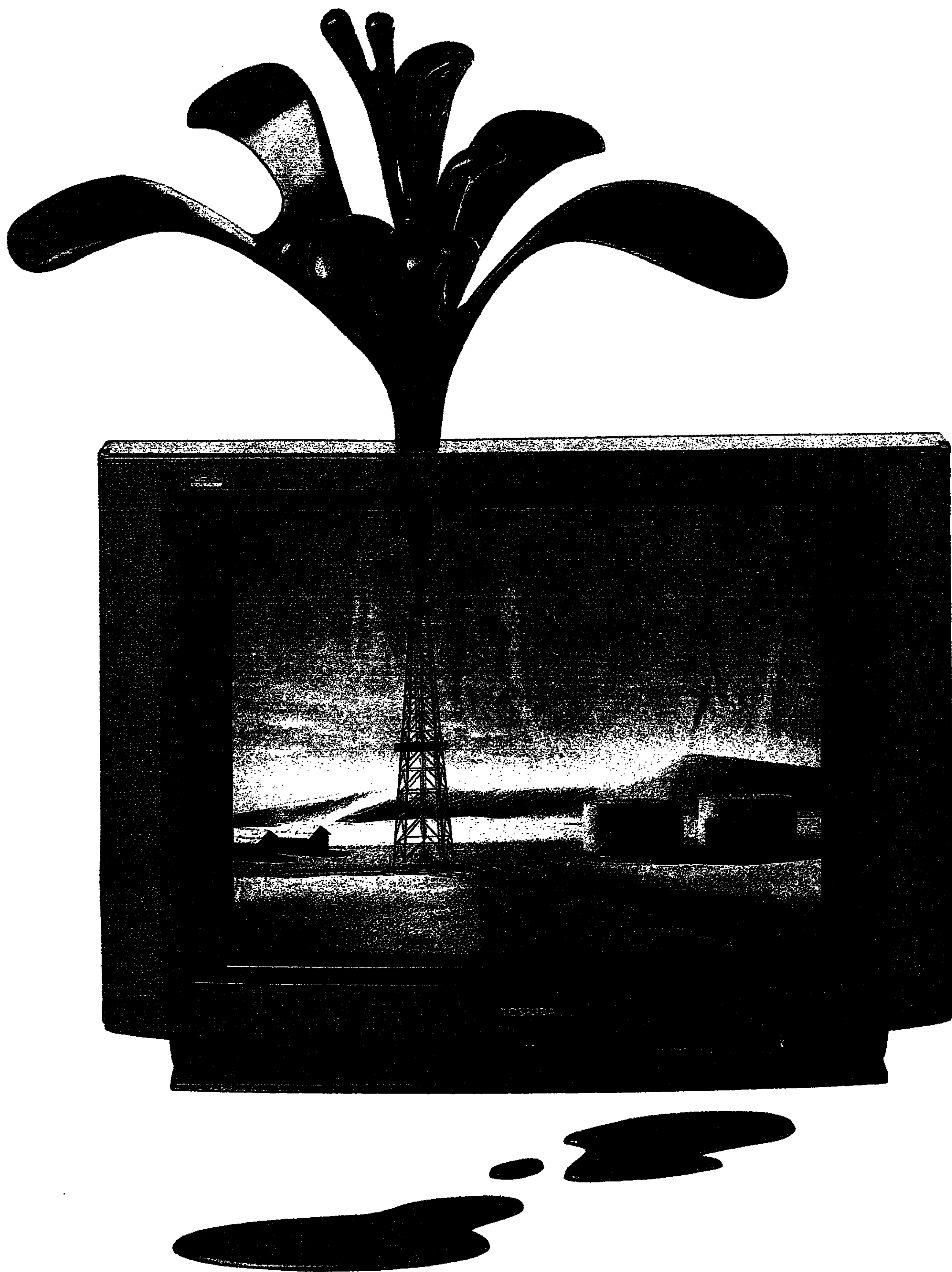
by 8th October, 1990 at the latest.

After this date, Bons acquired from exercise of warrants will be issued and delivered on a ex-right basis only.

Geneva, September 21, 1990

Société Générale de Surveillance Holding S.A.

15A 100 100



Can one company help Dallas strike oil and bring it into your living room?

Toshiba's 285 FST with NICAM Digital Stereo Sound is the only way to watch Dallas: or any of your favourite programmes.

With the 285 FST's superb picture quality and sound clarity, you could almost be in the oilfields of good ol' Texas.

Which is exactly where Toshiba are - at the heart of the action whether it's in your living room or the other side of the Atlantic.

Because in the US our integrated digital information and control systems, called TOSDIC, ensure the smooth and efficient running of

vital components, plants and machinery.

Toshiba's commitment to our society has produced two very different products, both designed to help man make the most of life.

As a world leader in LSI technology, Toshiba have the ability to make both possible.

In Touch with Tomorrow

TOSHIBA

FOR FURTHER INFORMATION TOSHIBA (UK) LTD., TOSHIBA HOUSE, FRIMLEY ROAD, FRIMLEY, CAMBERLEY, SURREY GU16 8JH TEL: 0276 62222

QE2, CONCORDE AND NEW YORK
HOLIDAYS FROM £1470

Cruise across the Atlantic in 5 exciting days aboard QE2. Stay for up to 6 luxurious nights in the Waldorf Astoria, or New York Hilton and fly the other way in 3½ supersonic hours on British Airways' Concorde.

These three experiences contribute to an unforgettable holiday, and with an extensive range of holiday departures still left this October and November, you can choose one that suits you.

For full details, contact Cunard on: 071-491 3930 or see your Travel Agent.

CUNARD
A TRAFALGAR HOUSE COMPANY

FINANCIAL TIMES
CREDIT RATINGS
international

A unique quarterly source of reference, from Financial Times Business Information, essential to all players in the international credit markets - borrowers, investors and intermediaries alike.

For further information contact:
Clare Barrett, FT-Credit Ratings International,
Marketing Department, Financial Times Business Information,
Tower House, Southampton Street, London WC2E 7HA.
Tel: 071-240 9391 Fax: 071-240 7946

LEGAL NOTICES

TROPICAL FOODS (LEICESTER)
LIMITED IN RECEIVERSHIP

NOTICE IS HEREBY GIVEN, pursuant to Section 40 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above named company will be held at the Holiday Inn, 21 Nicholas Close, Leicester on 28 September 1990 at 10.30 am for the purpose of having before it the report prepared by the Administrative Receiver in accordance with the said Section and, if thought fit, appointing a Committee.

DATED this 11th day of September 1990
JOHN F. POWELL and STEPHEN J. TAYLOR
Joint Administrative Receivers

Wiltshire Vehicle Finance Limited
(In Receivership)

Registered Number: 2254865
Former Company Name: Rapid 6000 Limited

Nature of Business: Purchase and Leasing of motor cars
Trade Classification: 38
Date of appointment of Administrative Receiver(s): 30 September 1990
Name of Appointor: Brown, Shipley & Co. Limited.

J. Jacob and N. H. Cooper
Joint Administrative Receivers
Office Holder (Note) 002121 and 002380
of Robert Rhodes,
181 City Road,
London EC1Y 2NU

HOMES FOR SALE IN LONDON
appear every Saturday
in the Weekend FT.

For advertising
information please call
Lesley Proctor
on 071-873 4896 or
Richard Huggins
on 071-873 4935.

AMERICAN NEWS

Double-act deals in the art of complaining

Christina Lamb meets two Brazilians employed to teach the ways of the free market

THE TWO MEN standing broad-shouldered in starched white shirts and dark blue ties seem an unlikely pair to be responsible for converting Brazil's highly protected economy into a free market.

A lawyer and an engineer, they are Brazil's new price police. Their assignment: to engender competition through snuffing out abusive business practices and educating consumers in the fine art of complaining.

For the first time in Brazilian history there is the political will to implant a free market economy. We are here to defend both this new economy and the consumer," explains Mr Jose Del Chiaro, head of the National Secretariat of Economic Rights.

"Changing the culture of 25 years is a difficult job which cannot be done in 15 days," adds his colleague Mr Salomao Rotemberg, director of the new Department of Economic Defence and Protection. "We're dealing with an economy in which values are inverted."

"Yes," agrees his incredulous partner. "Before, we were actually destitute competition, encouraging and protecting monopolies, and rewarding inefficiency by guaranteeing minimum prices, all in the name of self-sufficiency."

If it seems a little ironic to set up a government agency enforcing deregulation and free market principles, it is clearly necessary. Since President Fernando Collor mounted his anti-inflationary crusade in March,

the tables of fixed prices kept by every cash register have shrunk from 10 pages listing 70 per cent of Brazilian products to just three items - cigarettes, petrol and flour.

But rather than stimulate competition and lower prices, the ending of price controls has simply resulted in manufacturers getting together and agreeing price increases themselves. Mr Del Chiaro says in disgust: "If a business has a significant share of the market it can manipulate prices and put them up to an abusive level. They are still taking any opportunity to do this."

When a 45-day price freeze was lifted in early May, increases began well above the rate of inflation. The General Index of Market Prices (IGP) in June showed rises of 91.6 per cent in some cement products, 64.2 per cent in acetylene and 56 per cent in washing machines. In July diesel motors went up by 64.8 per cent and sheet glass by 52 per cent.

By August the IGP was showing monthly rises of more than 100 per cent in many industrial products when inflation for the month was around 12 per cent.

This was the last straw for the Collor administration. A strict new anti-trust law was decreed giving the Economic Rights Secretariat sweeping powers to expropriate companies behaving unfairly and sell them off through the stock exchange. As a further "incentive" to come into line, import tariffs on products produced by monopolies were slashed by

half. Mr Del Chiaro, a lawyer, explained: "If we hadn't made a market economy required by constitutional order we would never have moved from the past."

This month, the Economic Defence Secretariat, under the hawk-like eyes of Mr Rotemberg, began hauling in offenders to "explain abusive price rises." "Please don't say we force them to come - really it's more of an invitation," he insists.

"For the first time in Brazil the consumer will be seen as the main element of the market. We want to teach them how to complain and show them they can control prices. Before they had no choice but passive acceptance because there were no products available of better quality and low prices. But now they can buy imports"

Many Brazilian businessmen do not see it like that. "This is like something out of Walt Disney," complained Mr Joaquim Pereira, president of the Rio Union of Bars, Restaurants and Hotels, after he was called in to explain why the prices of pizza, coffee, orange juice and milk had all risen by the same amount in every outlet in Bra-

zil's top tourist spot. Mr Pereira maintained this was "just coincidence," adding "we are simply passing on increases in inputs."

Only 10 days into the job, this is already a familiar argument to Mr Rotemberg. Those who accepted the "invitation" so far include Dow Quimica and the makers of Hellmann's Mayonnaise. "Others say they're protecting themselves in case there is a price freeze," he says.

Others complain that exports have been cancelled because the cost of inputs is greater than the value of the order. Mr Rotemberg is not impressed. "I don't care if they are state, private or multinationals, some of these businesses loved high inflation and the only way they know is passing costs on to customers. They cannot imagine cutting profits. What we are doing is giving a crash course in the ways of the free market."

The strategy does not merely rest on changes in business behaviour. "It's important that the customer recognises his responsibility too," says Mr Del Chiaro. A national register of offending businesses has been set up for consumers.

"For the first time in Brazil the consumer will be seen as the main element of the market. We want to teach them how to complain and show them they can control prices. Before they had no choice but passive acceptance because there were no products available of better quality and low prices. But now they can buy imports," Mr Del Chiaro explained.

This may be hard. In a Rio supermarket an old lady stares at biscuits which have been cut in price to compete with Argentine imports. "There must be something wrong with them," she says. "Normally they go up every week."

Mr Renato Rosegno, president of the Association of Manufacturers of Artificial Fibres, points out that his raw material comes from only one supplier, Acrinor, which has put up its prices by 137 per cent in three months.

"We've only been able to put our prices up 11 per cent

because now imported fibre is cheaper than our product. We should be able to import our raw materials more cheaply," he said.

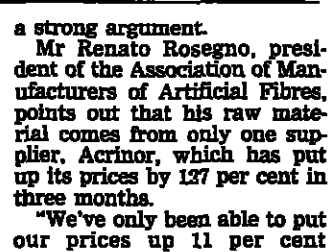
Others complain that exports have been cancelled because the cost of inputs is greater than the value of the order. Mr Rotemberg is not impressed. "I don't care if they are state, private or multinationals, some of these businesses loved high inflation and the only way they know is passing costs on to customers. They cannot imagine cutting profits. What we are doing is giving a crash course in the ways of the free market."

The strategy does not merely rest on changes in business behaviour. "It's important that the customer recognises his responsibility too," says Mr Del Chiaro. A national register of offending businesses has been set up for consumers.

"For the first time in Brazil the consumer will be seen as the main element of the market. We want to teach them how to complain and show them they can control prices. Before they had no choice but passive acceptance because there were no products available of better quality and low prices. But now they can buy imports," Mr Del Chiaro explained.

This may be hard. In a Rio supermarket an old lady stares at biscuits which have been cut in price to compete with Argentine imports. "There must be something wrong with them," she says. "Normally they go up every week."

President Collor: crusade



Brazil's 'Marvellous City' slips deeper into oblivion

RESIDENTS used to describe Rio de Janeiro as "the Marvellous City" because of its unique combination of breathtaking natural beauty and devotion to pleasure, *Revista* reports. But Brazil's second-biggest city has slipped into near oblivion. Citizens say Rio's confidence has been sapped by growing shabbiness, a tide of violent crime and a steady exodus of businesses, jobs and tourists.

Copacabana beach used to be world famous for the beauty of its setting and for those who strutted across its sand. Now it has a crime rate so bad that the US State Department has issued a warning to tourists to avoid the area.

"In the 1970s Rio had a special glow, an exuberance you could feel around

you everywhere," Nila, an Egyptian-born artist working in the city, said. "The scenery may look the same today but something is missing."

Part of the explanation, residents say, is economic. Industry, bedevilled by labour problems, poor infrastructure and high costs, has moved to more profitable areas inland.

"Brazil has shifted its focus towards the interior in the last couple of decades," explained Paulo Manoel Prota, head of the Rio Chamber of Commerce.

"Rio used to have a big industrial base when it was the capital, but that has now largely gone."

The decision in the 1950s to move the seat of government 720 miles north-west

to Brasilia is widely seen as the beginning of the end for Rio.

But because of the slowness of the transition - the Foreign Ministry only left Rio in 1970 and some government departments moved in the 1980s - the effects were delayed.

In the absence of wealth-creating industry, crime has flourished. Millionaire businessmen and wealthy foreign tourists have proved an irresistible target for the slum dwellers who live in shacks perched precariously on the mountainsides above the penthouses of the rich.

"During the 1980s real per capita income was stagnant in Brazil, but in the state of Rio de Janeiro it fell by 15 per cent," economist and state legisla-

tor Cesar Maia explained. "The gulf between rich and poor in Rio is a problem during a period of growth. But in a slump it becomes explosive."

This year's most visible symbol of rising crime has been a spate of kidnappings. Victims are usually local millionaires or their children and the ransoms run into millions of dollars.

Fear of abduction or assault has long since scared off the jet set, whose activities during the 1940s and 1950s put Rio on a par with Monte Carlo or Nice.

"The social life here used to be much more intense," said gossip columnist Zedimo Barrozo do Amaral. "But no one comes here any more now. They are too scared of being kidnapped or assaulted."

Courts to determine responsibility for Indians

By Simon Fisher in Rio de Janeiro

THE BRAZILIAN Attorney General has brought charges of genocide against the national Indian Welfare Agency (Funai), for failure to stop the Yanomani Indians of Northern Brazil being wiped out.

The charges are the latest round in a drawn-out battle to fix responsibility for the Indians, the largest tribe of forest Indians in South America. Conflicts and diseases brought by a lawless gold rush in the Yanomani territory have killed at least 15 per cent of the Indians in the past three years.

Time is running out while the legal processes wind their way through the Brazilian courts. And despite the recent shift in the government's discourse, in practice recent events have only made the Indians' prospects bleaker. President Collor's appointment last month of retired military officer Mr Cantídio Guimarães as the new head of Funai, was criticised by indigenous groups as the "worst possible choice."

It was the military which pioneered the road-building programme that opened Amazonia to exploitation. Mr Guimarães has defended the controversial government ruling last January which reduced Yanomani lands by 70 per cent, dividing them into 19 separate "islands" (sic) in the jungle, surrounded by areas where prospecting is permitted.

Much will also depend on the result of next month's election for state governor. But in the Roraima, where the Yanomani live, all the candidates support the gold miners. The man most likely to win is former governor and ex-Funai president, Mr Romero Jucá Filho, one of the architects of the plan to split up the Yanomani territories.

The leader of the Union of Amazon Prospectors, Mr Jose Almino Machado, is a strong candidate for senator. And while the fate of the Yanomani is an emotive issue outside Brazil, the indications are that for the government, realpolitik is a stronger force.

Northern Telecom helps shift billions of dollars a day.



© 1990 Northern Telecom

Who do bankers bank on?

For the Brussels-based Society for Worldwide Interbank Financial Telecommunication (SWIFT), the answer is simple.

Northern Telecom.

SWIFT provides transmission services among major banks round the world. They chose us to provide them with the most reliable data network available. We are, after all, not just Europe's, but also the world's largest supplier of data packet networks.

When completed, this telecommunications solution will connect some 2,600 bank locations in over sixty countries.

So much for the big money.

Now what about the peanuts?

For Cargill, one of the leading agricultural and commodity companies, the problem was entirely different. They needed an internal phone system that ensured fast and reliable communications between their commodity traders across the world.

They chose Northern Telecom because no one sells more advanced business communications systems than we do.

Just two of the ways in which Northern Telecom advanced telecommunications products are helping both big and small businesses in more than one hundred countries worldwide.

Can we help you?

But we also help if it's peanuts.

nt northern
telecom

TECHNOLOGY THE WORLD CALLS ON.

NORTHERN TELECOM IS ACTIVE IN 26 COUNTRIES THROUGHOUT EUROPE. FOR MORE INFORMATION CONTACT NORTHERN TELECOM EUROPE. 44 (0) 755 813000.

Vessel ma

quick reco

A BOOST to a recovery... North Sea... a \$40m... a specialist... vessel... ordered by... Western... International... and related... company... Corporation.

Well stimulation... to increase... speed of... amount of... recovered... its vessel... increase... two to three... yields by up to 20... It involves... abrasive agent... sand, suspended... a well to release... Although the... well developed... that the size of... allow more... than any other... vessel now operat... North Sea.

The company... that its vessel... service in 1982... rate significant... in pumping... computer control... and in abrasive... Ed Will, Western... National's president... well stimulation... increasingly import... more marginal... fields are develop...

Retainers' s... will not dry... BRITAIN'S ungrad... weather can cost... nesses millions... by catching them... wrong goods or... To help overcom... the UK Meteorol... Office and Datacol... nesses Services, of... Thames, have deve... ware to help predic... tomers will want... To use the weath... the retailer gives re... drunks, say... Office. This data is... with weather recor... these dates and fro... relationship betwee... and weather is calc...

The software is u... er's PC is connect... Met Office comput... information on curr... future weather can... to update the comp... and warn retailers... items they need to...

Supercond... stand the h... JAPANESE electro... factor Hitachi an... this week that it... ord a new class... duction which low... tance to conducti... at higher tempera... their predecessors... to a Reuters report... Superconductors... very low tempera... research work on...

Major wins wide support for debt relief initiative

By Peter Norman, Economics Correspondent, in Port of Spain, Trinidad

PLANS by Mr John Major, the UK Chancellor, to provide greater debt relief for the poorest developing nations, drew wide-ranging international backing yesterday.

In Washington Mr Michel Camdessus, managing director of the International Monetary Fund, warmly commended the proposals, unveiled on Wednesday at the Commonwealth Finance Ministers' meeting in Trinidad. They would "certainly provide significant debt relief to the poorest heavily indebted countries."

A communiqué due to be issued at the end of the two-day meeting of finance ministers from the 50-nation Commonwealth also "warmly welcomed" the plans and urged the Paris Club of creditor nations to consider implementing them as soon as possible.

The plans, to write off up to \$18.3bn of official debt owed to governments by 19 African and South American countries, won the support of Canada, which like Britain is a member of the Group of Seven leading industrial nations.

Mr Pierre Bérégovoy, the French Finance Minister, also strongly backed the initiative.

"This is basically what we have been asking for some time," Mr Bérégovoy said after a meeting in Paris with finance ministers of the 14 African countries in the franc zone.

Mr Michael Wilson, the Canadian Finance Minister, said the proposals, were good although there was still a need

to look at the details. Mr Wilson's endorsement of the plans should help Mr Major in Washington tomorrow when he will urge other G7 members to back his initiative.

The British proposals, which yesterday were named the *Trinidad and Tobago terms*, are a development of the existing Toronto debt relief terms for poor debtor countries which are pursuing economic adjustment programmes approved by the IMF.

They envisage doubling debt relief so that two-thirds of eligible Paris Club debt is written off; rescheduling a country's whole stock of debt in one go; providing additional cash flow benefits by capitalising interest during the first five years and extending repayment periods to 25 years.

The Commonwealth meeting also acknowledged that lower middle income countries such as Nigeria had a growing official debt problem. While noting that the Paris Club had lengthened repayment periods and introduced debt for equity swaps, they urged the creditor nations to give serious consideration to additional options to help these countries.

The impact of the Gulf crisis was a matter of deep concern at the meeting, with ministers expressing fears that some developing countries would suffer not just from higher oil bills but from the loss of workers' remittances, lost exports and the cost of supporting United Nations sanctions against Iraq.

Paris Club extends terms of repayment

By George Graham in Paris

THE PARIS Club, which brings together creditor nations for the rescheduling of developing countries' debts to governments, has launched a strategy offering more favourable terms for lower middle income countries.

At meetings in Paris over the past week, four countries with national incomes of between \$700 and \$1,300 a head have agreed rescheduling packages which will spread their debt repayments over a period of 15 years, five years longer than the Paris Club has previously allowed for this group of countries.

The four countries - Morocco, Honduras, El Salvador and the Congo - have total debts of about \$6.5bn between them, with \$4.1bn in the form of official development assistance and \$6.8bn in officially guaranteed credits.

Official development aid loans will be rescheduled over an even longer period of 20 years, and the grace period allowed before repayments must begin has been extended to six or eight years, compared

with a previous norm of five years.

The agreements also allow for the first time debt equity swaps by creditor governments, within a limit of 10 per cent of their outstanding debts.

Mr Pierre Bérégovoy, the French Finance Minister, said yesterday that the new approach to the debt burden of lower middle income countries represented a considerable advance, and had been implemented less than two months after the G7 summit meeting at Houston which decided on the principle of more favourable terms for this category.

During the same Paris Club session, Niger agreed to reschedule its debts on the "Toronto Terms" reserved for low income countries.

Each creditor country may choose between writing off a third of its debts and consolidating the rest over 14 years at market rates; consolidating payments on the whole of its debts over 25 years at market rates; or consolidating at reduced interest rates over 14 years.

Aquino toughens stance on foreign debt problems

By Greg Hutchinson in Manila

PRESIDENT Corason Aquino of the Philippines has toughened her stance on the country's \$27bn (\$14.3bn) debt, calling for a negotiated write-off of interest payments to commercial creditors for the next five years.

Citing the sharp decline in economic growth this year, the president yesterday said there was a need to pursue "avenues of debt relief, including interest condonation for five years."

She added: "Governments can and will make sacrifices, but at the same time, we have to impress upon our creditors the necessity of them doing their share."

Her statement reflects a change of tack on resolving the country's foreign debt difficulties. Hitherto, she has adopted a *softly-softly* approach. Among the conservative measures used were debt-to-equity swaps, debt buy-back, additional borrowings and debt rescheduling.

Mr Jesus Estanislao, Finance Secretary and chief debt negotiator, is in Venezuela en route to Washington and is expected to inform creditors of the President's orders.

The President's change of tack follows huge support within Congress and the Catholic Church for a tougher stance on foreign debt. However, its timing was being seen

yesterday as a slight against Mr Estanislao - as with her about-turn on his proposed tariff reforms last month, she waited until he was out of the country.

Although the Philippines successfully implemented a \$1.3bn debt buy-back with foreign commercial bank lenders, and had obtained substantial new money commitments this year under the US Treasury's Brady Initiative, Mrs Aquino sees the measures as insufficient to offset the current and anticipated decrease in economic growth.

The July 16 earthquake, power shortages, drought, the Gulf crisis and, more recently, renewed fears of another coup attempt, have helped halve official growth targets to 3.4 per cent this year. Last year's growth was just under 6 per cent.

The government now admits it is strapped for resources to meet its debt commitments while maintaining essential social programmes.

A conference yesterday heard that the government had received initial foreign pledges for earthquake rehabilitation of more than \$300m, and indications of additional support of some \$200m to \$300m.

These pledges, however, will cover only the financing requirements of the damage wrought by the earthquake, which amounted to 18.5bn pesos (\$380m). The government will still have to address its ballooning budget deficit.

This has caused the sudden change of heart in Philippine debt management strategy. The treasury deficit has risen to about 35bn pesos as of end-August, exceeding the 1990 projection by 14bn pesos.

Where the oil blow falls heavily

The director of research at the IMF talks to Stephen Fidler

MR JACOB FRENKEL, director of the International Monetary Fund's research department, does not wish to be seen as anti-consumer over his call this week for governments to let oil users bear the brunt of higher oil prices.

"What we're really saying is: 'Don't pretend you can protect consumers,'" he said.

The IMF's chief economic spokesman said the cut in oil supplies was a supply shock, implying a loss of output and employment.

Governments would fail if they attempted to offset this by energy subsidies or easing monetary policy.

"It's important that we don't attempt to protect the users. We should learn from the mistakes made in the 1970s," he said.

"We are now reaping some of the fruits of the conservation measures introduced after the price rises of more than a decade ago. We are less dependent on oil."

By contrast, eastern Europe's heavy reliance on oil, which meant the region would suffer badly from the price rises this year, stemmed in large part from its subsidised energy.

Since the Iraqi invasion of Kuwait in early August, Mr Frenkel's department has been forced to rewrite completely its economic forecasts, to be delivered formally at the weekend to the fund's policy-setting Interim Committee.

However, in terms of governments' economic policy, he advised little change. Assuming the Gulf crisis did not degenerate into war, it would be unnecessary for governments to depart significantly from the course of policy that was deemed appropriate before the crisis erupted," he said.

The reason was partly the fact that the main industrialised economies were in different stages of the economic



Frenkel: "Don't pretend you can protect consumers"

cycle. In North America and the UK, there was a significant slowdown in economic growth under way; but in Japan, Germany and elsewhere in western Europe, growth remained robust.

There was, in the world economy, the equivalent of a "balanced portfolio" and "the likelihood therefore of a global downturn is diminished."

This "relatively comfortable" conclusion was reinforced by other factors: the rise in the oil price is lower in percentage terms than in the 1970s, and

other sources of supply have emerged since then. Strategic stockpiles and more efficient energy use would also help.

However, the crisis had heightened the importance of resolving certain policy questions - such as the US fiscal deficit - quickly. This would reduce uncertainty and contribute to a reduction of long-term interest rates, recent rises in which could have damaging consequences for investment.

As well as reflecting higher inflationary expectations and scarcity of capital, rising long-term interest rates were also a function of economic uncertainty.

Since the Gulf crisis, it has become harder to make predictions about the future, and there is increased uncertainty about the economic policy response of governments. "Governments must therefore be very clear about the course of policy," he said.

Mr Frenkel was also concerned that the focus on oil would detract attention from other policy issues, which were potentially more important in the medium term.

These were: the adjustment of external imbalances, the shortage of global savings, the issues raised by German unification, as well as the economic transformation of eastern Europe.

Camdessus cautious on prospects for Brazil's bank talks

By Stephen Fidler in Washington

MR Michel Camdessus, managing director of the International Monetary Fund, refused to be drawn yesterday on whether he would insist on Brazil paying interest to commercial bank creditors before recommending a \$2bn IMF loan for the country.

He said the issue of interest payments to commercial banks was a matter between Brazil, now in \$10bn arrears to foreign creditors, and its commercial bank creditors.

However, he told a news conference that, before approving the standby loan, the executive board of the IMF "will need to be sure the negotiations with the banking community are firmly launched with a good prospect of a serious conclusion."

The refusal of the Brazilian Government to commit itself to interest payments to international banks has angered commercial bankers. They say Brazil's payments have significant consequences for the financial health of a number of US institutions and that the IMF will send a clear signal to other debtor countries if it does not insist on Brazil meeting at least some of its obligations.

Some members of the IMF board have indicated they would be unhappy if the Brazilian programme did not contain a commitment to pay some interest to banks.

A letter from the Brazilian Government to Mr Camdessus undertakes to resume payments to western government creditors, but makes no such commitment regarding the banks.

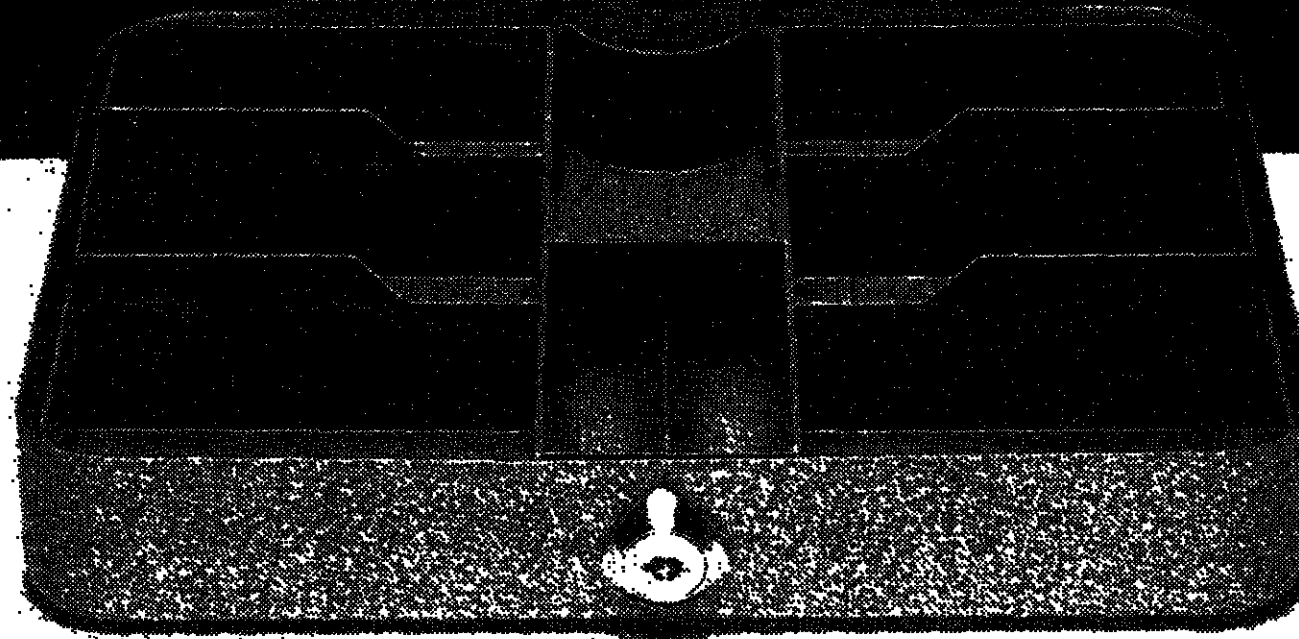
Mr Camdessus also outlined in public for the first time a proposal by the Fund to provide subsidised IMF credit for the countries worst hit by the Gulf crisis, but which are outside the scope of the aid programme for frontline states.

This would involve voluntary contributions from other countries, particularly those benefiting from an oil windfall. The beneficiaries would be countries deemed too wealthy to benefit from the IMF's other subsidised credit schemes.

Czechoslovakia yesterday became the 152nd member of the IMF, when Mr Vaclav Klaus, Czechoslovak Finance Minister, signed the Fund's articles of agreement.

The country's quota, or shareholding, is SDR590m (\$826m).

Accounting software for hard times.



No businessman expects life to be easy. But few expected it to be quite this tough.

Interest rates at their highest for many years, inflation poised to reach double figures and the Government doing almost everything it can to persuade people to stop spending money.

Only strong companies will survive. Which means every business decision you take has to be the right one.

UNDERSTANDING WHAT YOU NEED

We like to think that we know what a small business needs from its accounting software. (After all, we too were a small business not so long ago.)

Our Sterling range (Bookkeeper through to the more sophisticated Financial Controller) has become synonymous with ease of use, superb support as well as unparalleled value for money.

(Especially when coupled with one of our MainLan networks so all compatibility problems will disappear.)

They're virtues that saw us become the undisputed brand leader last year for packaged accounting software.

But not wishing to rest on our laurels (what business can afford to do that?) we've now improved Sterling even further.

Because all networking versions have a new 'record locking' feature to make all data totally 'safe'.

In all, it's a pretty impressive package. Which may well be the reason why Sage Sterling is now being sold alongside IBM's new PS/1 computer.

PLANNING FOR THE FUTURE

As companies grow (and good ones still will) so do the requirements from their software.

Which is why Sterling has been designed so that you can simply upgrade from one program to the next.

And now, with the introduction of new Sovereign (our multi-function accounting software for larger companies) there's no limit to the extent of that growth.

To the point where the most sophisticated version can be literally 'tailor-made' to meet the most demanding needs. So whatever the size of

your company, whatever IBM compatible system you have and whatever your plans for growth may be, there's a proven Sage product that fits the bill.

Which, when the only thing that seems certain these days is uncertainty, must be wonderfully reassuring.

Send to: Dept. 99, The Sage Group plc, NEI House, Regent Centre, Newcastle upon Tyne, NE3 3DS. Tel: 091-213 1555. Fax: 091-284 6992.

Please send me a free demonstration disk of: (tick box)

The Sterling range of accounting software ☐

The new Sovereign accounting software ☐

NAME

COMPANY

POSITION

ADDRESS

POSTCODE

TEL. NO.

SAGE
PC BUSINESS SOFTWARE
NOW YOU'RE REALLY TALKING BUSINESS

EC MERGER CONTROL REGIME

Uncharted obstacle course towards one-stop control system

Today Brussels acquires explicit authority to control large EC cross-border mergers. Robert Rice and Guy de Jonquieres report.

AFTER 17 years of perseverance and quite a few political compromises, the European Commission today acquires explicit authority to control the growing number of corporate mergers and acquisitions in the European Community.

On paper, the EC's new merger regulation marks a sweeping extension of the Commission's powers, giving it the right to vet in advance the largest cross-border deals in the Community and block them if they threaten competition.

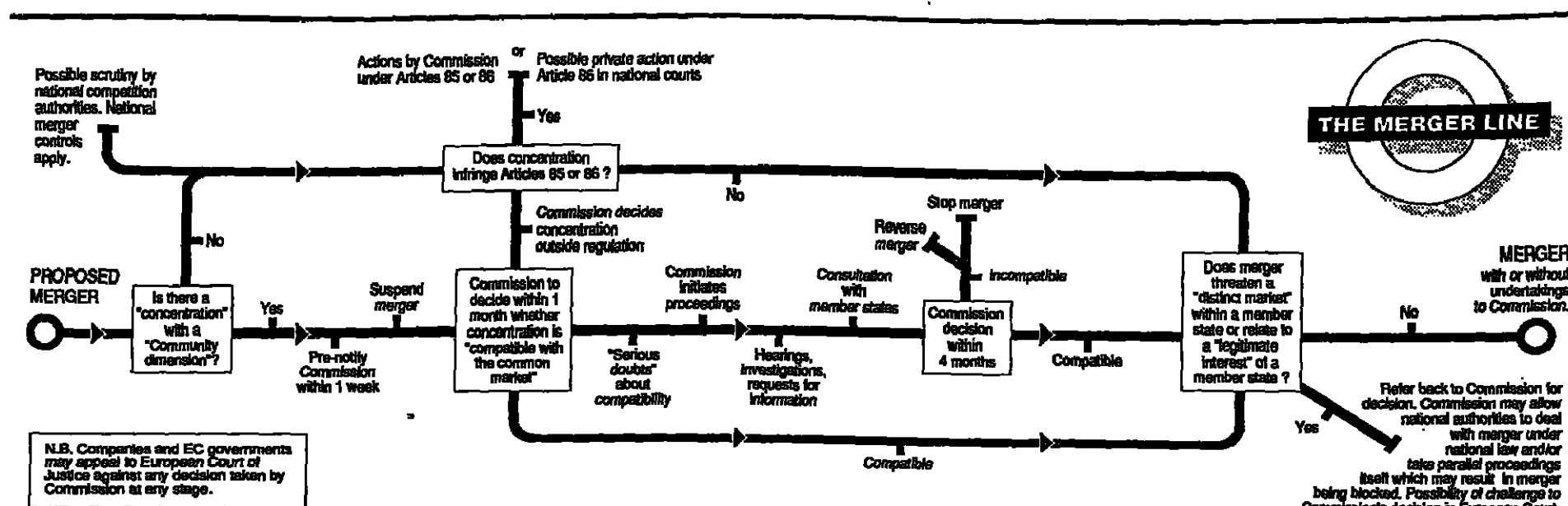
The Commission expects initially to handle each year about 50 such deals - known as "concentrations with a Community dimension." It can compel companies to divulge commercially sensitive information and fine them heavily if they fail to comply.

The Commission argues that, as well as safeguarding competition in the single market, the regulation will bring greater clarity and consistency to an area riddled with legal imprecision.

The Commission has long had some powers under the Rome Treaty to control mergers, but did not apply them systematically. They were cumbersome and incomplete, allowing deals to be challenged only after they had been consummated. They also overlapped confusingly with national jurisdiction.

National merger policy in the EC is a messy patchwork. Only West Germany and Britain have well-established controls - though France is starting to take a more active approach - and their laws and practices differ. Many countries, such as Italy, have no controls at all.

The Commission hopes the regulation will establish a "one-stop" control by clarifying the regulatory borderlines between Brussels and national anti-trust authorities. These will continue to deal with smaller mergers and acquisitions, the vast



majority of deals.

In practice, however, the Commission's new powers are circumscribed and look ragged at the edges. The political horse-trading needed to get the regulation agreed has left its scope unclear, while the one-stop principle is ringed with exceptions and the demarcation lines between Brussels and national authorities are still fuzzy.

Companies involved in the very largest and smallest mergers will know which authority to approach for clearance. But for some deals between these extremes, the effect of the regulation is less clear.

Since there are still penalties for failing to notify the Commission of a merger caught by the regulation, or for proceeding with it without clearance, many companies may feel constrained to approach both Brussels and national competition authorities.

There is also ambiguity in the criteria which the Commission will use to judge mergers. Though the regulation says competition is the main yardstick, it allows other vaguely-defined factors such as "the development of technical and economic progress" to be considered.

Hence, the regulation presents an uncharted procedural obstacle course which, in the short term at least, risks aggravating rather than removing business uncertainty. Its precise scope and application may have to be defined by the European Court. Beyond that, the EC Council of Ministers is due to review - and possibly amend - it by 1994.

The "concentrations" covered by the regulation include not only full and partial mergers, but certain joint ventures and the direct or indirect acquisition by one or more companies of control over another.

The crucial test for determining whether a concentration exists is whether there is a change in the control of a company. A concentration will fall into Brussels' jurisdiction if it has a "Community dimension". That is, when:

• The combined worldwide turnover of the companies involved totals Ecu5bn (£2.51bn) or more; and
• The aggregate EC turnover of each of at least two of the companies is Ecu250m or more.

However, a merger will be exempt from the regulation if each company has more than two thirds of its EC-wide turnover in one EC country.

These thresholds will be reviewed by the end of 1993 and are expected to be revised downwards, bringing more mergers under Brussels' control.

Mergers subject to the regulation must be pre-notified to the Commission by the bidder - or by both

companies in the case of a joint venture. This must be done within a week of announcement of a merger or its completion, whichever is earlier.

Notification involves supplying copious information on a special form. Failure to notify, or providing incorrect or misleading information, may result in a fine of up to Ecu50,000 (£25,100). Mergers will then automatically be suspended for three weeks. But the suspension may be extended or waived if delay could seriously damage a deal, the companies involved or a third party. There is a provision for public take-over bids to proceed subject to certain safeguards.

Companies which disregard the automatic suspension period and proceed with a merger can be fined up to 10 per cent of their aggregate turnover.

The Commission has a month

from notification to decide whether a deal is covered by the regulation and if there are "serious doubts as to its compatibility with the common market".

If no serious doubts are raised, the Commission will decide not to oppose a merger. However, a member state may still intervene where one of its "legitimate interests" are involved, or a "distinct market" within a member state is affected.

If serious doubts are raised, the Commission will open formal proceedings and conduct a full investigation, which may involve hearings and on-the-spot searches, backed up by the threat of fines. It must reach a decision within four months.

In assessing whether a concentration is compatible with the common market, the Commission must decide whether it creates or strengthens a dominant position which would significantly impede effective competi-

tion in the common market or a substantial part of it.

The first part of this test is based on Article 86 of the Rome Treaty, which prohibits companies from abusing an existing dominant market position.

The second part states that creation or abuse of a dominant position alone will not be enough to stop a merger. The dominant position must specifically impede "the maintenance or development of effective competition within the common market".

Market share is the most important criterion to be applied. The regulation presumes a concentration will be compatible with the common market when the combined market share of the companies involved does not exceed 25 per cent of the common market or a substantial part of it.

Nearly all the criteria are competition-related. However, the Commission may also consider some industrial and social policy factors, though they do not carry the force of law.

At the end of an investigation the Commission must decide either that:

- The concentration is compatible and can proceed. It can also require the parties to modify their plans and impose obligations as a condition of allowing the merger to proceed; or
- It is incompatible. The merger may then be blocked, or reversed if it has already been completed.

The Commission also has the power to revoke a decision of compatibility if it was based on incorrect information supplied by the companies, or if the latter have violated undertakings given as a condition of allowing the merger to proceed.

Given the ambiguities in the regulation, the questions about how it will be applied and the sheer complexity of the EC procedures, one of the few certainties is that it will keep many lawyers in business for a long time.

Rigorous deadlines keep watchdogs on tight leash

By Lucy Kellaway in Brussels

THE rules are brand new. The staff are new to the job. The computer system is new. Even the gleaming offices on Brussels Avenue de Cortenberg are so new they will not be ready until the start of next month.

The Commission's merger control machine has been assembled in great haste over the past nine months. But it cannot afford any teething troubles. The Commission is embarking on one of its most sensitive tasks yet, and bungled decisions would damage both companies' interests and its own credibility.

Even when the EC anti-trust watchdogs hit their stride, rigorous deadlines will keep them on a tight leash. Each case will have to be translated into nine languages and put to an advisory committee, which will take several weeks to deliberate. If the Commission does not reach a decision on time, the case will lapse and a merger will be automatically cleared.

The Commission has set up a special merger control task force of some 45 people, 25 of them top-grade Eurocrats and the rest support staff. This unit - which slots into the Commission's existing competition directorate - feels different from the rest of the Brussels bureaucracy. The spanking marble and chrome exterior of its offices looks like an American bank, and its planned working methods are reminiscent of a management consultancy.

"Because we are new, we can employ all sorts of new management techniques," says Mr Colin Overbury, the British lawyer in charge of the task force. The emphasis will be on group work - cases will be shared out between three teams - and on support from advanced technology.

To safeguard commercial confidentiality - a critical factor in view of the very large deals the Commission will be scrutinising - security throughout the building will be tight. Visitors must be accompanied at all times, all documents registered, all deliveries made by hand and all computers protected with hacker-proof devices.

The Commission is putting some of its best and brightest minds on the job, and has also poached some national merger experts. Each of the three teams is headed by a Brussels high-flyer: Mr Michel Petit, a Frenchman who worked in the cabinet of Lord Cockfield when he was single market commissioner; Mr Goetz Druze, German-born Assistant Director General of the competition department; and Mr Roger Daut, a Belgian expert who has been closely involved in setting up the task force.

For the moment, everyone is expected to be a generalist, as able to tackle a merger of toothpaste makers as of oil producers or accountants - a prospect which worries some observers, given the likely complexity of the cases. At first, cases will be allocated mainly on the basis of language, though the officials will

gradually build up individual areas of expertise.

Whether the system works will depend on how many cases come up. "I have a nightmare there will be no cases, and another that there will be too many," says Mr Overbury. Informal estimates range from as few as 40 to as many as 200 cases a year. EC officials say they would have trouble coping with the higher number.

Their solution is to be as flexible as possible. If things get out of hand, they can hire more people, and draw on the experience of national anti-trust bodies for information and advice.

The new system will, therefore, depend on amicable working relationships between Brussels and EC capitals.

ONE of the most controversial aspects of the merger regulation is how far the European Commission can use it to intervene in mergers outside the EC. That could create serious tensions with other countries, above all the US.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

gradually build up individual areas of expertise.

Whether the system works will depend on how many cases come up. "I have a nightmare there will be no cases, and another that there will be too many," says Mr Overbury. Informal estimates range from as few as 40 to as many as 200 cases a year. EC officials say they would have trouble coping with the higher number.

Their solution is to be as flexible as possible. If things get out of hand, they can hire more people, and draw on the experience of national anti-trust bodies for information and advice.

The new system will, therefore, depend on amicable working relationships between Brussels and EC capitals.

ONE of the most controversial aspects of the merger regulation is how far the European Commission can use it to intervene in mergers outside the EC. That could create serious tensions with other countries, above all the US.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

Potential for conflict outside EC

By Robert Rice

ONE of the most controversial aspects of the merger regulation is how far the European Commission can use it to intervene in mergers outside the EC. That could create serious tensions with other countries, above all the US.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

The test for applying the regulation is the worldwide sales of companies involved in a merger. If these total Ecu5bn (£2.51bn) and at least two of the companies each have EC sales of Ecu250m, the regulation will apply regardless of where they are headquartered or do most business.

Sceptics fear damaging effect of conflicting political interest

By Lucy Kellaway

IF the EC's new merger policy is to be credible, it will need to be fair and consistent. Sceptics say that would be more certain if it were implemented by an independent agency modelled, say, on the West German Kartellamt, rather than by the Commission, a political body often caught between conflicting national interests.

Sir Leon Brittan, the EC competition commissioner, has a ready answer. He says any independent agency, like the Commission, would have to have members appointed by EC governments and would therefore be exposed to the same political influences.

Some Eurocrats also argue that the Commission's diverse responsibilities enable it to take account of a wide range of factors before making decisions. But such assertions merely fuel doubts among those who like Sir Leon believe merger cases should be decided strictly on competition grounds.

Sir Leon and many officials in the Commission's competition directorate are widely respected. However, while they have the authority to launch investigations, they do not have the final say in competition cases. That belongs to the 17 commissioners - and their record is patchy.

Commissioners are under oath to abjure purely national interests. But when sensitive issues in their own countries are at stake, amnesia often sets in. Take the case of Douwe Egbert and Van Nelle, two Dutch coffee companies whose 1988 merger created a near-monopoly of the Benelux market.

Sir Leon wants to challenge the deal, but is being frustrated by Mr Frans Andriessen, the Dutch external relations commissioner. Nor is Sir Leon's desire for tough action against Air France's planned takeover of Air Inter exactly applauded by Mr Jacques Delors, the Commission's French president.

Much depends on who is competition commissioner of the day. Sir Leon and Mr Peter Sutherland, his predecessor, have been tough and effective advocates of free competition. But nothing ensures that their successors will be equally strong-minded.

"If things were to work like in the Douwe Egbert case, we might as well close the office at once," says a senior member of the Commission's new merger task force. "It will be used as a lesson. Cases will come regularly and if the atmosphere was poisoned like that every week, it would become very strenuous for the Commission."

Mr Sydney Lipworth, chairman of Britain's Monopolies and Mergers Commission, who initially argued for an independent EC body, now looks tolerant on the Commission's new task force: "In time it may be that the unit should be more independent... The new merger regulation does carefully limit the actual test to competition, and one assumes that is how the Commission will treat it."

Brussels may also allow individual countries to apply its own controls, but nothing prevents the Commission from carrying on with its own investigation under the regulation. Hence, certain deals covered by the regulation may be subject to parallel investigations. Where these reach different conclusions, a ruling from the European Court may be needed.

The Commission expects the clause to have a narrow application, but ultimately the precise scope of the exception may have to be determined by the European Court.

It allows governments to ask the Commission to intervene in cases normally outside the scope of the regulation when these raise competition issues which national authorities are not equipped to deal with themselves. This exception was demanded by the Netherlands, supported by some other countries.

The clause will only apply until the thresholds for triggering the regulation are revised downwards at the end of 1993.

It allows EC governments to intervene in cases caught by the regulation but which involve a "legitimate interest" of a member state.

"Legitimate interest" is defined to include public security, plurality of the media and prudential rules. Any other legitimate interest claimed by governments must be notified to the Commission, which

must give a decision within a month.

It remains to be seen whether countries will, for example, be able to claim industrial policy considerations as "legitimate interests" justifying intervention by national competition authorities.

This exception also creates the possibility of parallel investigations and litigation before the European Court, though the Commission expects it to be used only rarely.

In addition, the Commission may still use the competition rules under Articles 85 and 86 of the Rome Treaty to intervene in mergers below the thresholds. It has specifically reserved the right to intervene in cases where the worldwide turnover of the parties involved exceeds Ecu5bn, the figure to which the regulation

thresholds are expected to be lowered at the end of 1993.

Brussels has indicated that it will rarely intervene in cases below that level. In exceptional cases it may take action when a merger has a potentially serious anti-competitive effect on a niche market and action taken by an EC government is likely to be inadequate.

Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

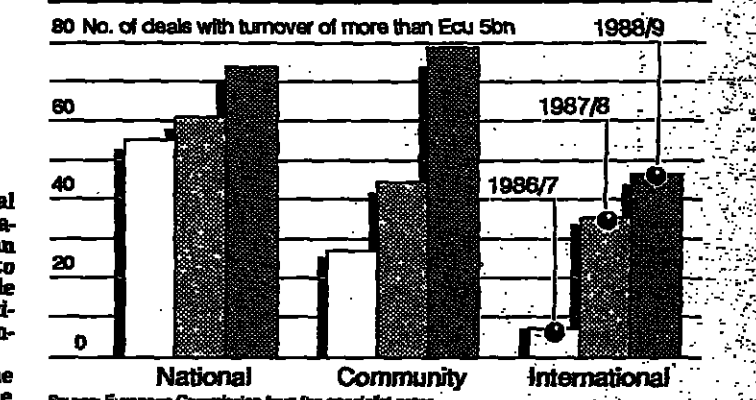
Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

Article 86, which prohibits companies from abusing a dominant market position, may also be used by companies to bring a private action in national courts to block hostile takeover bids. If this is used regularly by target companies as a defensive tactic in deals which fall below the regulation thresholds, it would represent a serious breach of the one-stop principle since these bids should in theory only be open to challenge under national law.

EC mergers & acquisitions



Source: European Commission from the specialist press

Enough paper to fill up a lorry

By Lucy Kellaway

LARGE companies planning European mergers are going to have their work cut out. The EC "pre-notification" form they will have to fill in and submit to the Commission is tough, long and detailed; the required 20 copies of the completed form and 15 copies of all supporting documents will create enough paper to fill a lorry.

The Commission started by demanding information which most companies would have difficulty obtaining quickly, much of it of dubious relevance. Following howls of protest it made a major concession: the complex questions remain on the form but any company which can convince the Commission that a piece of information is irrelevant or too hard to get need not supply it.

A company is required to notify the Commission of a relevant deal within seven days of its announcement or completion - whichever is the earlier. But the Commission plans to use discretion in implementing the rules. It hopes companies will talk to it first to discuss what information is necessary.

The form starts with names and addresses, and requests for all recent financial figures, including turnover and profit for the last three years in Ecu. It rapidly gets more complex: information required includes

lists of all subsidiaries, complete with other shareholders, and other companies controlled by those shareholders.

For any market in which the two merging companies together would have a 10 per cent share, comprehensive information is sought on all its characteristics. Companies must supply figures on the size of the market broken down by EC country, details of competitors, prices charged for the products inside and outside the EC, an assessment of imports and of barriers to entry for both EC producers and others, a full history of research and development costs and cycles, and a description of distribution and service networks.

Information must also be provided about the most important suppliers and customers for each product group, and general descriptions of the market in terms of its maturity and the structure of its supply.

Even if the Commission excuses companies from completing large parts of the form, they still face a big workload.

The questions are not of the simple yes-or-no variety. A typical one reads: "Describe the various factors influencing entry into affected markets that exist in the present case, examining entry from a geographical and product viewpoint."

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

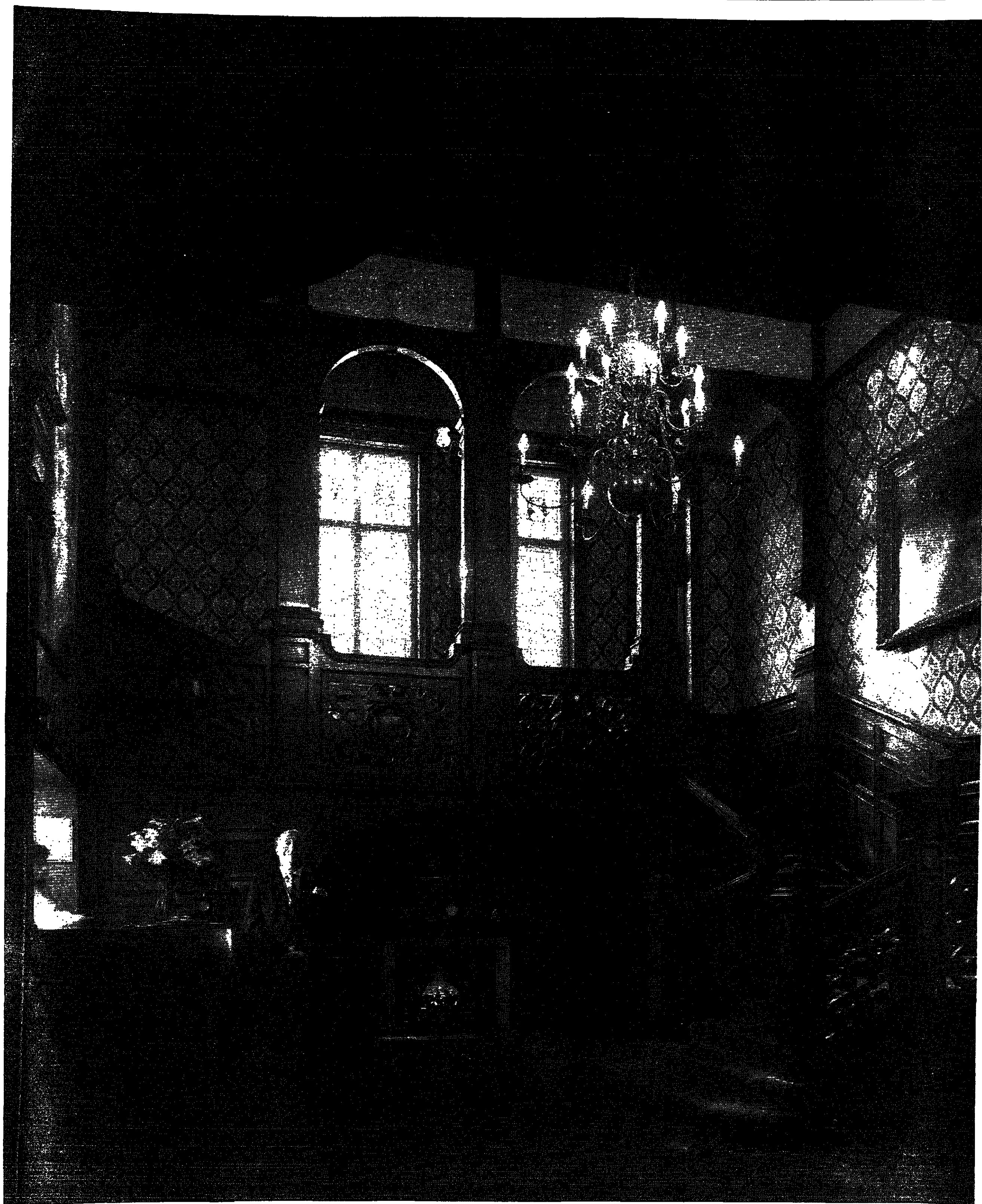
It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example, that a merger would boost regional unemployment.

It is unclear how far the Commission will take into account the fundamental objectives of the Community, including economic and social cohesion. That may help companies make a case for clearing mergers which would result in a high market share. It may also help targets of hostile bids defend themselves by arguing, for example



FLY SUPER SHUTTLE EXECUTIVE DURING THE WEEK AND YOU COULD BE CHECKING IN HERE AT THE WEEKEND.

Send in your Super Shuttle Executive ticket coupons and boarding passes from any Super Shuttle Executive flight between August 13th and November 5th. Depending on the number of flights (one return equals two flights), we'll send you Privilege Cards for the following: 6 flights will earn you a bottle of champagne; 8 flights dinner for two; 12 flights dinner for two and half a case of wine; 20 flights one night away for two with dinner and breakfast; and 26 flights two nights away for two with breakfast, dinner and champagne. All breaks and meals can be enjoyed at any of 64 Trusthouse Forte hotels. Pick up a leaflet from a leading IATA travel agent or any Super Shuttle Airport lounge.

BRITISH AIRWAYS
The world's favourite airline.

*Applications must be received by 30th November 1990. Vouchers must be ordered before 20th March 1991, excluding 23rd-24th and 30th-31st Dec 1990.

EUROPEAN NEWS

Bundesbank adds a voice to Bonn's go slow chorus on EMU

Broadside on conditions for early action on economic and monetary union encourages a cautious approach, writes Andrew Fisher

IT WAS not the intention of Mr Karl Otto Pöhl, president of the Bundesbank, to torpedo sterling when he summoned journalists this week to set out why Germany's central bank thought progress towards European economic and monetary union (EMU) should be cautious and measured.

Mr Pöhl's message was mainly for Bonn. The paper presented by the bank and his comments were aimed at strengthening the resolve of those, like Chancellor Helmut Kohl, who are keen to go slowly, against those, like Mr Hans-Dietrich Genscher, the Foreign Minister, who want a faster pace to promote European integration.

But sterling's panicky reaction bore out one aspect of the message — that the economic gap between EC member states is growing. The bank said the divergence in terms of inflation, budget deficits and trade imbalances was particularly marked in the UK, Portugal, and Greece (which are not in the European Monetary System) and Italy and Spain (which are).

Obviously, it said the widening economic gap mostly reflected "the considerable differences in institutional structures, economic fundamentals and the attitudes of management and labour."

Thus: "An early irrevocable fixing of exchange rates and the transfer of monetary policy powers to Community institutions would involve considerable risks to monetary stability, especially for Germany." Mr Pöhl expressed confidence that Mr Kohl had taken this on board. He was less sure about Mr Genscher.

The Bundesbank wants the government to tell the next EC summit that compromises deviating from the Bundesbank's approach on EMU



Foreign Minister Hans-Dietrich Genscher's (left) enthusiasm for early EMU is not shared by Chancellor Kohl (centre) or Karl Otto Pöhl, the Bundesbank president

are unacceptable. "Otherwise, in view of the substantial risks involved, the favourable expectations entertained of such a union might well be disappointed."

Mr Pöhl also raised the "visual lesson" of the D-Mark's introduction into East Germany. EMU could not be compared with such a "crass, extreme example" as German currency union, necessary to stop a human exodus. But it showed what could happen in the way of high unemployment and heavy public financing costs if national exchange rates were given up too early.

Thus the Bundesbank argued that

developments in eastern Europe and Germany meant that freedom for manoeuvre in monetary and budgetary policy should not be given up until the economic situation in Germany and the EC had become settled.

"By then, at all events, the risks inevitably associated with the transition to an economic and monetary union in the EC will be more readily appreciable." It also stressed the need to be resolute against inflation. "It must be ensured that the same stability record can in future be achieved at Community level as has hitherto been registered in West Germany."

The bank wants the following points to be contractually safeguarded:

- EMU's basis must be an economic union, open to third countries and with lasting convergence of anti-inflation policy. Some deficiencies still needed to be overcome, especially in the harmonisation of indirect taxes, an essential precondition for lifting border controls.
- Another indispensable element of an economic union is an adequate commitment on the part of all member states to a lasting anti-inflationary stance. Financial policy decisions would largely remain in the hands of member states, so

"contractual arrangements (including binding rules and sanctions) to ensure effective budgetary discipline in all member states will have to be adopted at Community level."

- In EMU's final stage, monetary policy will have to be formulated by a European Central Bank System (ECBS), which must:
 - give priority to pursuing monetary stability;
 - have guaranteed independence; and
 - largely include EC national banks as integral parts. These should no longer follow their own policies;
 - have a Council (to set monetary policy targets) and an executive board (to implement them). The council should comprise the national central bank governors and the board members;
 - have all the necessary monetary policy instruments;
 - have sole responsibility for foreign exchange market intervention;
 - be under no obligation to lend to public authorities.

"Because of the far-reaching political implications, the ECBS statute and the rules on budgetary discipline should be specified in the Treaty," the report said.

To reach the final stage of EMU, the Bundesbank said "a lengthy transitional process" would be needed. At the end, the following conditions must be satisfied:

- Anti-inflation policy must have converged so that price differences have been largely stamped out, budget deficits reduced to a tolerable level, and capital market rates virtually harmonised.
- EMU members must have participated fully in the EMS exchange rate mechanism and have liberalised capital movements.
- National central bank statutes must be harmonised so they can become integral parts of the ECBS. This would include monetary policy instruments.
- The contractual arrangements on budgetary discipline in all member states must be adopted at Community level.
- The single market programme must have been realised fully, including the dismantling of border controls.

To pave the way for the transition to the final stage, the Bundesbank said efforts to co-ordinate monetary policy should be stepped up. Monetary policy instruments should be increasingly harmonised, central banks' independence safeguarded, budget deficits cut, and the ECU (a basket of EC currencies) hardened by laying down that it cannot be devalued against any EC currency.

The Bundesbank opposed time-tables. Progress should depend on "the fulfilment of previously defined economic and economic policy conditions."

Mr Pöhl said the Bundesbank's position was indispensable, not optional. It could only consider giving up the D-Mark and transferring its rights as an independent, efficient central bank to an EC institution if the new system "is at least as good as what we have now."

Sharp attack on Soviet reformers

By Quentin Peel in Moscow

THE SOVIET government yesterday launched a furiously counter-attack on radical plans for an immediate transformation of the Soviet economy, warning that they would cause rampant inflation, a slump in production, and a drastic decline in living standards.

It came on the eve of a crucial vote in the Supreme Soviet, or national parliament which is expected to approve in principle the strategy of the Shatalin economic reform plan, now backed by both President Mikhail Gorbachev, and the giant Russian federation headed by Mr Boris Yeltsin.

At the same time, the weakness of central government control was underlined again, as the parliament of Ukraine, the second largest republic and the country's most important

grain producer, passed a resolution to restrict food exports to the rest of the country.

The growing tension caused by food shortages prompted officials from the far northern region of Komi into sending an urgent appeal to President Gorbachev. It warned that if central supplies of food were not ensured, the republic would switch to barter trading. In a report Tass said it was fearful of "mass disturbances."

In Moscow, rumours are rife that Mr Nikolai Ryzhkov, the embattled prime minister, had already resigned after the Russian parliament voted by an overwhelming majority for the whole government to quit. The rumours were flatly denied by government officials, who released instead the text of the government's counter-blast

against the Shatalin reform plans, drawn up by Dr Leonid Abalkin, the deputy premier in charge of economic reform.

In a last-ditch attempt to dissuade deputies from voting for the Shatalin plan, Dr Abalkin said it would increase prices far more than the government's controlled price rises, with inflation running at 200 to 250 per cent by the end of 1991. He warned that attempts to stabilise money supply be drastic cuts in the state budget deficit would fail, because of spending commitments already approved by the Supreme Soviet, including the repayment of outstanding government debt.

In an argument calculated to appeal to conservative trade unions, he said that the Shatalin plan to link wages only to

the prices of consumer essentials would hit those already on the poverty line. The government is proposing 100 per cent compensation to wage earners, indexed to the full consumer price index.

Members of the Shatalin group of economists say the government's plan, in contrast would be massively inflationary, increasing the budget deficit from the current Rb500bn to as much as Rb340bn — more than the entire state revenues for next year.

The problem for the government is that it has itself signally failed to deliver any workable economic reform plan itself, and elected deputies in both republican and union parliaments are desperate to find any alternative remedy.

Polish election date likely to be agreed soon

By Christopher Bobinski in Warsaw

POLAND'S election campaign opened yesterday when former communists launched an attack on Government policies in the midst of a debate on when and how to hold parliamentary and presidential elections.

Proposals for an election within two months to replace President Wojciech Jaruzelski, appear likely to win a majority when the debate continues today. But a majority in Parliament seem opposed to the first past the post electoral law for the elections which are being proposed by the OOP, the Solidarity group.

Some deputies however were more intent on criticising Mr Tadeusz Mazowiecki, the Prime Minister, than resolving the poll issue. Mr Włodzimierz Cimoszewicz, the leader of the largest of the parliamentary groups under which former communists are grouped, warned that the Government's policies risked provoking "social conflicts born more of despair than just mere discontent."

The attack came after the PSL, a farmers' party once allied to the communists, declared it was withdrawing its support for the Government.

Swiss neutrality no barrier to joining EC, says Thatcher

By Ivo Dawney in Bern

MRS Margaret Thatcher, the UK Prime Minister, yesterday welcomed Switzerland's "more prominent role" in international affairs, insisting that its neutrality was no barrier if it sought full membership of the European Community.

Speaking on the first ever official visit of a British leader to the country, Mrs Thatcher said that President Arnold Koller had used their opening talks to ask her views on the possibility of Switzerland joining the EC.

While acknowledging that problems might lie with the Swiss political system of frequent referenda on major issues, she ruled out any difficulties over neutrality, pointing out that Ireland shared the policy.

Asked later whether Britain would back a Swiss application for membership, she replied: "Neutrality is in no way a bar. We would welcome an increasing role by a vital country like Switzerland in international affairs. Whether they choose to take it is a matter for them."

After talks centred on spelling out Mrs Thatcher's views on political and monetary union within the EC, the prime minister appeared satisfied that the Swiss position was clear to her and opposed to moves towards a strongly centralised federation. Under Swiss law major deci-

sions must be put to a ballot of all citizens and require majorities of both the voters and the 26 cantons to win approval.

In 1986, a national referendum soundly rejected the country joining the United Nations. Even the country's recent support for UN sanctions against Iraq has provoked opposition from the toughest advocates of a neutrality posture.

Nevertheless, the issue of EC membership is now firmly on the national agenda with pro and anti groups forming in parliament. Switzerland is presiding over the negotiating team of

the European Free Trade Association (EFTA) in talks with the EC on an extended European economic space after 1992.

This aims to tighten trade relations between EFTA — Switzerland, Finland, Sweden, Norway, Iceland and Austria — and the Community once the EC's single market is in place. Any discussion of membership of the EC, Austria has already applied, has been ruled out by Brussels until 1993.

In a welcoming speech to the prime minister last night, Mr Koller made clear that Swiss foreign policy was now "being logically adapted to a completely new international environment."

He went on: "The development of the EC and the breaking down of communism in Eastern and Central Europe have further increased our awareness that our destiny lies in Europe."

"The realisation of the concept of a larger Europe where political and economic freedom, human rights, democracy and justice are fully respected is no longer an object of mere wishful thinking."

Mrs Thatcher told Mr Koller that she was actively supporting Switzerland's recent application to become a member of the International Monetary Fund.

Moscow sees decontrol of energy prices by 1992

By Richard Gourlay

THE Soviet Union hopes to introduce a free market system of energy pricing by early 1992, raising the prospect of substantial price increases for domestic and industrial power users throughout the country.

Mr Yuri Chernegov, deputy minister in the Kremlin Bureau of Fuel and Energy, said the Soviet Union planned

to base oil, gas and fuel to domestic users on world price levels some 12-18 months after price controls were lifted on consumer goods on January 1 next year.

Speaking after a conference on Soviet energy in London, Mr Chernegov said he hoped rouble convertibility for trade on the current account at least

would be in place by that date. He stressed that both the Soviet government and the group of reformers led by Professor Stanislaw Shatalin agreed on the timing for the liberalisation of energy prices and the January 1991 date for consumer prices to be freed.

The reforms are expected to go a long way to meeting the

needs of Western oil companies which see huge joint venture development possibilities in oil and gas exploration. Without prices set at world levels, to allow sale of oil at economic levels, and convertibility of the rouble, to allow exportation of profits, oil companies are reluctant to make serious long term commitments of capital.

On Tuesday that it intended to withdraw all its 50,000 soldiers in south-west Germany.

Sir Peter said: "There will be a need for stationed forces, also after the Soviets pull out. The Germans want us there as good partners — partly because we cannot be clear about how stable Europe will be in future."

He has his eyes on possible use of Soviet troops in East Germany after 1994 — even though last week's Moscow Foreign Ministers' accord on German unity greatly circumscribed the chances of such manoeuvres.

The General also commands the Soviet Northern Army group, made up of German, British, Dutch and Belgian forces

fanned out across northern Germany. He says that multinational forces "will have a role to play" in the future NATO presence in Germany.

In contrast to the 4,000-strong nascent Franco-German brigade in southern Germany, Sir Peter favours integration higher up the size scale — through a 25,000-strong multinational corps staffed by several nations, with national divisions beneath.

He does not believe that European peace and stability have necessarily broken out. "We will need forces adapted to a very different battle of manoeuvre, and to prepare for a more technical war. The lesson of history is that the unexpected will always happen."

However, if the United Nations were to assume more importance than even at present seems likely, and if the only joint military operations that the Europeans were to conceive of were under UN auspices, then the path to a European defence community would be smoother. Yet the more important the UN becomes, the more Britain and France will come under pressure from fellow EC states to share, or even cede, their permanent seats on the UN Security Council.

Mixed reaction in Bonn over troops withdrawal

By David Marsh in Bonn

WEST Germany is reacting with a mixture of satisfaction and unease to plans by Nato to withdraw as many as 150,000 troops from German soil over the next few years.

The US, which has the lion's share — about 250,000 soldiers and aircraft — out of the 400,000-strong foreign contingent, announced on Monday that it is withdrawing 60,000 men over the next few years.

Although many West German residents will be pleased about fewer manoeuvres, less low-flying and reduced congestion from army vehicles, there has also been concern about the effects on employment.

The US army in Germany is estimated to pump DM12bn (£4bn) annually into the economy through consumption, rents and services, and gives work directly and indirectly to an estimated 170,000 Germans.

The British Army of the Rhine injects an annual DM2.3bn into the trade northern states of North Rhine-Westphalia and Lower Saxony, according to army estimates.

Ms Monika Wolf-Mathies, chairman of the public sector and transport trade union, has written to Chancellor Helmut Kohl calling for co-ordination among government authorities to avoid economic hardship.

UK forces' role in Germany 'will continue'

By David Marsh in Bonn

GENERAL Sir Peter Inge, the Commander in Chief of the 55,000-strong British Army of the Rhine (BAOR), has two important tasks on his mind. He is supervising preparations to dispatch shortly an armoured brigade — 6,000 men and 120 tanks — from Germany to the Gulf as part of the Middle East military build-up.

In the longer term, he is pondering how to deal with the British army presence in Germany by about half in the next five years as part of the general reduction of allied troops.

The BAOR has occupied its headquarters close to Mönchengladbach near the Dutch border since the beginning of the 1950s. Negotiations with federal and local government

authorities affected by the pull-out across the whole of northern Germany are expected to continue until well into next year.

The BAOR and the Royal Air Force in Germany — which accounts for another 11,000 men — make use of 47 garrisons and bases in the northern German states. The property on which decisions about future deployment have to be made is spread around 500 different parcels of land.

Sir Peter, a dome-headed figure looking like a jovial spy-master, is adamant that a British presence will still be needed in Germany, even after the Soviet army pulls out of East Germany by end-1994. France, by contrast, reaffirmed

on Tuesday that it intended to withdraw all its 50,000 soldiers in south-west Germany.

Sir Peter said: "There will be a need for stationed forces, also after the Soviets pull out. The Germans want us there as good partners — partly because we cannot be clear about how stable Europe will be in future."

He has his eyes on possible use of Soviet troops in East Germany after 1994 — even though last week's Moscow Foreign Ministers' accord on German unity greatly circumscribed the chances of such manoeuvres.

Italian union set to sever Communist link

By John Wyles in Rome

ITALY'S largest trade union confederation, the CGIL, faces a period of political upheaval and democratic change following a proposal from its secretary general, Mr Bruno Trentin, that its dominant Communist Party faction should be dissolved.

Reaction within the union, which has more than 4m members, has been uniformly favourable among both Communist members and the Socialist minority.

The Communist welcome partly recognises that Mr Trentin's initiative makes something of a virtue out of necessity since the union's leadership has been increasingly paralysed by the backwash from the Communist Party's own internal divisions over attempts to relaunch it as a radical socialist party with a new name.

Although the CGIL has an apparently democratic structure, all major policy decisions have been taken within the ruling communist group. An agreement has then been laboriously mediated with the

minority linked to the Socialist Party and also with a small but vocal group without any party affiliation.

The proposal for a slow dissolution of the communist component is expected to be endorsed at a conference of the communist faction next month.

Thereafter the union could be led by a genuinely democratic elected figure who may even be a Socialist.

Mr Ottaviano Del Turco, Mr Trentin's deputy and the most credible Socialist candidate for the leadership, was delighted yesterday about the prospect of freeing the union's affairs from the bondage of Communist Party politics.

It would be, he said, "the end of an era" and the end of an eighteenth century conception of the trade union as a permanent antagonist.

Having himself first called for just such a change in July, Mr Del Turco said the opportunity now existed to create "a reformist union which, at the same time, would be an instrument for conflict as well as one for co-operation."

Nato warns EC against trying to run before it can walk

By David Buchan in Brussels

NATO yesterday cautioned the European Community that, in the field of security, it should not try to run before it had learnt to walk.

In the latest bout of what often seems like guerrilla warfare between the two Brussels-based institutions, Mr Manfred Woerner, Nato secretary general, said that the EC could not replace his own alliance organisation in maintaining peace across Europe because it lacked Nato's tie with the US and its military competence.

But both Mr Woerner and Mr William Taft, the American envoy to Nato, acknowledged at a US-sponsored conference yesterday that the EC's security role would, and should, progressively increase, and stressed that the Atlantic and European organisations should

not see each other as rivals. "Where there is overlap, there should be timely co-ordination," said Mr Woerner.

However, the past few days had shown that the Community's goals of acquiring a military dimension could only be "long term," said the top Nato official. He was referring to the stunned reaction of some EC states, including neutral Ireland, to Italy's proposal to the EC Council of Ministers that the EC should assume the defence policy role of the Western European Union (WEU).

The Gulf crisis came when Nato and the EC were both looking for a new role — Nato, because real peace has broken out in the East and the EC because defence policy would crown the political union that is soon to be negotiated.

However neither organisation has lived up to the hopes of its enthusiasts. Nato discussions have tended to highlight differences between the US and the Europeans. Mr Woerner did this again yesterday by saying that "some allies still could, and should, do more" by sending ground troops to join the Americans.

Nor has it been an occasion to swing Nato's increasingly under-used command structure at Supreme Headquarters Allied Powers Europe into action because the Gulf crisis lies outside its geographic boundaries. The Community's record of internal agreement has been just as bad, with squabbles over Gulf-related EC aid casting a shadow over its better performance on the diplomatic front.

So both organisations are looking for remedies. Mr Woerner echoed yesterday the recent call by his Nato military counterpart, General John Galvin, for Nato to re-think its inhibitions about acting "out of area."

By contrast, EC states have no inhibitions about co-ordinating their foreign policies far and wide — just about the military aspect of those policies. So the core of the proposals by Mr Gianni De Michelis, Italy's activist foreign minister, is that the EC, as part of its forthcoming political union negotiations, should take over from WEU the job of co-ordinating European military deployments out of the Nato area.

The "out of area" issue is trickier for Nato. It is hard to define. As one Nato envoy noted yesterday, "if the Hungarians and Romanians were

to go to war over ethnic issues, that would be 'out of area' for Nato, while if Libya were to fire missiles at Italian islands — which it has done — that comes within the Nato area."

It might also be very unwise to launch anything in the Third World under a Nato flag. That would be very divisive and might, in the Gulf, dissuade any Arabs from co-operating. By contrast, the WEU is too nebulous an organisation to have any connotations, good or bad, in the rest of the world.

However, if the United Nations were to assume more importance than even at present seems likely, and if the only joint military operations that the Europeans were to conceive of were under UN auspices, then the path to a European defence community would be smoother. Yet the more important the UN becomes, the more Britain and France will come under pressure from fellow EC states to share, or even cede, their permanent seats on the UN Security Council.

Part of the problem for Italy and some other EC states is that they want to advance on

It's attention to detail

that makes a great hotel chain, like providing the Financial Times to business clients.

Complimentary copies of the Financial Times are available to guests staying at the Concorde La Fayette, the Hotel de Crillon, Concorde Lazare and the Hotel Louvre Concorde in Paris, the Grand Hotel Concorde in Lyon, and the Westminster Concorde in Nice.

FINANCIAL TIMES Hotel Westminster Concorde

INTERNATIONAL NEWS

Pretoria accepts changes to trade union laws

By Philip Gawth in Johannesburg

THE South African Government has accepted recommendations involving big changes to the country's labour laws, in a move which should help defuse a highly charged industrial relations climate.

The move comes just two days before Mr Eli Louw, Minister of Manpower, leaves on a tour which will take him to the annual International Labour Organisation meeting in Geneva, the first South African cabinet minister to attend this gathering since relations were broken off in 1964.

Mr Louw said yesterday the cabinet had accepted recommendations agreed on between himself, the employer body

Saccola, and union groups Cosatu and Nactu.

The broad effect of the agreement - an amended version of an accord signed with the union groups in May - is to restore the industrial relations position to where it was before 1988 amendments to the Labour Relations Act, widely considered to have been hostile to unions.

Mr Louw described the agreement, reached after six months of negotiation, as "a milestone on the road to internationally accepted labour legislation".

As a result of the agreement, Cosatu and Nactu have agreed to call off a stayaway planned for October 8-10 to protest

against the government's dilatory approach to implementing the May accord.

The likelihood of a stayaway ending in violence in the current climate in South African black townships would have been high.

The main amendment to the Labour Relations Act concerns the definition of an unfair labour practice.

In future, said Mr Louw, strikes and lock-outs would not be judged by the Industrial Court on the basis of whether they were fair or not, but in terms of whether they were legal or illegal.

Mr Louw said he viewed the change as an improvement because it would lead to

greater certainty. The court would still have guidelines to follow, but these would be discretionary rather than prescriptive.

Other features of the agreement include a provision for damages to be claimed in the event of illegal strikes and lock-outs, a commitment to dialogue to resolve conflict whenever it arose, and agreement by Cosatu/Nactu to participate in a restructured National Manpower Commission.

Mr Louw said the accord, as modified, would be translated into legislation for submission to parliament before the end of the month.



Eli Louw: will attend ILO meeting in Geneva

Cracks show in minister's China claim

By Angus Foster in Hong Kong

LORD CAITHNESS, British minister with special responsibility for Hong Kong, yesterday claimed China's domestic behaviour has improved since last year's crackdown in Peking. He was unable to give any examples of the improvements.

The claim came a day after China reported it had executed 65 people in neighbouring Guangdong province for criminal acts. A report last week from the Amnesty International human rights group said China's judicial system gave few grounds for appeal.

Lord Caithness was speaking at the end of his first visit to Hong Kong.

He said Hong Kong people could rely on the British Government. Those claims were called into doubt earlier this week when Mrs Edwina Currie, the former British Health Minister, on a visit to Hong Kong, told people in the colony they should now look after themselves.

Several liberal leaders in Hong Kong have described Lord Caithness's visit as a public relations assignment. They complain his appointment as successor to Mr Francis Maude has shifted Hong Kong's problems to the House of Lords before the colony's return to Chinese sovereignty.

Manila asks US to leave air base within one year

By Greg Hutchinson in Manila

THE Philippines yesterday told the US to leave its Clark Air Base within a year, saying it intended to repossess the facility and convert it to civil aviation use.

Clark, the largest American air base abroad, is still regarded by the Pentagon as a key installation in its security umbrella for the Asia-Pacific and the Indian Ocean in spite of worldwide cuts the US military announced this week.

Mr Rafael Alunan, spokesman for the Philippine panel in the current Philippine-American Co-operation Talks, said the country intended to assume full operational control over the base. "The Philippines took the position that it shall assume sovereign control of Clark as soon as possible," he added.

But he left open the possibility of the US presenting a counter-proposal for access by the US military and others at Clark, 50 miles north of the capital. Clark has been mooted as an alternative international airport for Manila, and plans have been presented to President Corason Aquino suggesting that such a scheme could be viable. He said the Philip-

pinas may be open to proposals from the US for paid landing rights, possibly by their military aircraft.

Thousands of Filipinos earn comparatively high wages at Clark, which is home for about 10,000 US military personnel. The plan to convert Clark to civilian use, possibly as a new airport, is thought to be a way of softening the impact of a sudden US withdrawal on the local economy.

Mr Stanley Schragar, spokesman for the US panel, said Washington wanted to continue operations from Clark and would still want a treaty with Manila for its use beyond September 16, 1991, when a lease over Clark and five other installations expires.

Meanwhile, the US warned of a possible bombing in downtown Manila. The American embassy advised Americans against venturing close to the embassy - believed to be the most likely target of a bomb attack - unless absolutely necessary.

"The threat is both specific and credible," US officials said. Ten Americans have been murdered since 1967 in a campaign to have the bases removed.

Indian Airlines to go ahead with Airbus purchases

By K.K. Sharma in New Delhi

INDIAN AIRLINES, the government-owned domestic carrier, has decided to buy four more Airbus A-320 aircraft before the end of September when its option to acquire the aircraft expires.

The airline's current fleet of 14 Airbus was grounded when an A-320 crashed just before landing at Bangalore in February.

A decision on when to resume their commercial operations has still to be taken by the government.

An airline official said yesterday that commercial operations will begin as soon as this clearance is given.

An inquiry into the cause of the Bangalore crash is continuing. It could be several weeks before the report of court of inquiry into the crash will be submitted.

Nevertheless, the decision to exercise the option to buy four more of the aircraft suggests that both the Government and Indian Airlines are now satisfied with the performance of

all the A-320.

At present, four of the fleet are being used to repatriate Indians stranded in the Gulf region. The others are still grounded.

The Government is taking steps to ensure that operational safety measures suggested by a committee headed by Air Marshal S.S. Ramdas - who has recently taken over as managing director of Indian Airlines - are implemented before commercial flights are resumed.

These relate to training of pilots, engineers and other crew as well as readiness of Indian airports to handle the A-320.

Yesterday Mr Bob Alizart, an Airbus Vice-President, had told Indian reporters that the consortium had set a non-negotiable deadline of September 30 for the delivery of the aircraft, Reuter adds.

"We will press for breach of contract," Mr Alizart said in the south Indian town of Bangalore, where 92 people died

when one of the "fly-by-wire" planes crashed on February 14.

An Indian Airlines spokesman, asked to comment, said: "We will be taking delivery of the aircraft before the deadline."

The aircraft that crashed was one of 15 already delivered to Indian Airlines, the country's state-run domestic carrier.

Mr Alizart said the crash had not affected orders. "For A320s alone we have had 100 firm orders after February 14."

Seoul budgets for balanced 1988 growth

THE South Korean government has proposed a balanced budget for calendar 1991 with revenue and spending each rising 19.8 per cent to Won 27,183bn (\$20bn), according to Economic Planning Board officials, Reuter reports from Seoul.

The budget, which forecasts real gross national product growth of 7.5 per cent in 1991, and a 5 per cent GNP deflator, will go before parliament by early October for debate. The proposed rise is the highest since 1982 when the budget increased by 23 per cent.

A trade deficit of \$4bn is envisaged, about the same level forecast for this year.

A board official said the government gave more emphasis on projects related to easing housing, traffic and environmental problems, development of rural areas and promotion of exchanges between South and North Korea. Opposition politicians say spending increases are because of general elections in early 1992.

Deferre spending was set at Won 1,774bn, up 12.9 per cent and accounting for 28.6 per cent of total spending.

Cambodian head of state leaves for Moscow

PRESIDENT Heng Samrin of Cambodia has set out on a trip to the Soviet Union, according to the Cambodian news agency SPK. AP reports from Bangkok.

He was accompanied by Im Chhunlin, central committee member of Cambodia's ruling Communist Party. The Soviet Union has been the main backer of the Vietnamese-installed government in its 11-year war against three allied guerrilla factions.

Talks broke down in Bangkok on Wednesday between the warring factions to discuss aspects of a peace plan drawn up by the five permanent members of the United Nations Security Council. Thailand, a key mediator in the talks, strongly voiced its frustration at the collapse but offered yesterday to host a new session if Cambodian factions wish.

The Vietnamese-installed Cambodian government and their guerrilla opposition suspended their Supreme National Council meeting because of quarrels over how resistance leader Prince Norodom Sihanouk should be brought into the council.

Japan bail-out offer in NZ

A POLITICAL row flared in New Zealand yesterday after Mr Jim Bolger, the opposition leader, asked news of a government offer to help bail out the mainly Japanese creditors of DFC New Zealand, a collapsed merchant bank, Reuter reports from Wellington.

Mr David Caygill, the Finance Minister, accused Mr Bolger of betraying the government's trust when he was briefed on the proposal, which includes a big state underwriting offer. Mr Caygill said he had not demanded confidentiality but assumed Mr Bolger would keep quiet in New Zealand's interests.

"For the sole purpose of scoring some cheap political points, the man put at risk sensitive negotiations in relation to the

DFC settlement," Mr Caygill said. An election has been called for next month, in which Mr Bolger's National Party has a strong opinion poll lead.

DFC crashed last October when the government-controlled National Provident Fund, its main shareholder, refused to mount a rescue. At the time Mr Caygill ruled out any government bail-out to compensate the Japanese institutional creditors.

But Mr Bolger, who leads the centre-right National Party, told reporters: "There is a series of underwritings that total up to almost NZ\$900m (\$294m) and there's NZ\$100m up front."

DFC has offered to repay mostly Japanese creditors NZ\$2.2bn over seven years.

Tamil Tigers said to have hacked 40 villagers to death

TAMILREBELS stormed a Sri Lankan village and shot and hacked to death 40 villagers, including women and children, of the majority Sinhalese community military sources said on Thursday, Reuter writes from Colombo.

They said about 30 Liberation Tigers of Tamil Eelam guerrillas on Wednesday attacked Wellamundala, a fishing village in north-western Puttalam district. The Tigers, fighting for a separate state for minority Tamils in the north and east, also set fire to a large number of fishermen's huts in the hamlet.

"40 wounded children are reported to have been flung into a raging fire of the burning houses," the state-run Observer newspaper said.

Seven villagers escaped. Two fled in a fishing boat and were rescued by the navy and a third taken to a hospital after being stabbed. Four sought refuge in a nearby army camp.

Troops from the camp who tried to help the villagers were thwarted by hundreds of land mines laid by the Tigers. They later went to the village in boats.

The incident could not be verified by independent sources.

The Tigers launched a fresh offensive against security

forces in June after abandoning 14 months of peace talks with the government.

Security forces counter-attacked and drove most of the rebels from towns in the east before turning their guns on the Tigers in the north, where they are strongest.

Deputy Defence Minister Ranjan Wijeratne said the Tigers had lost 76 of their area leaders in battles with the security forces since the fighting erupted three months ago.

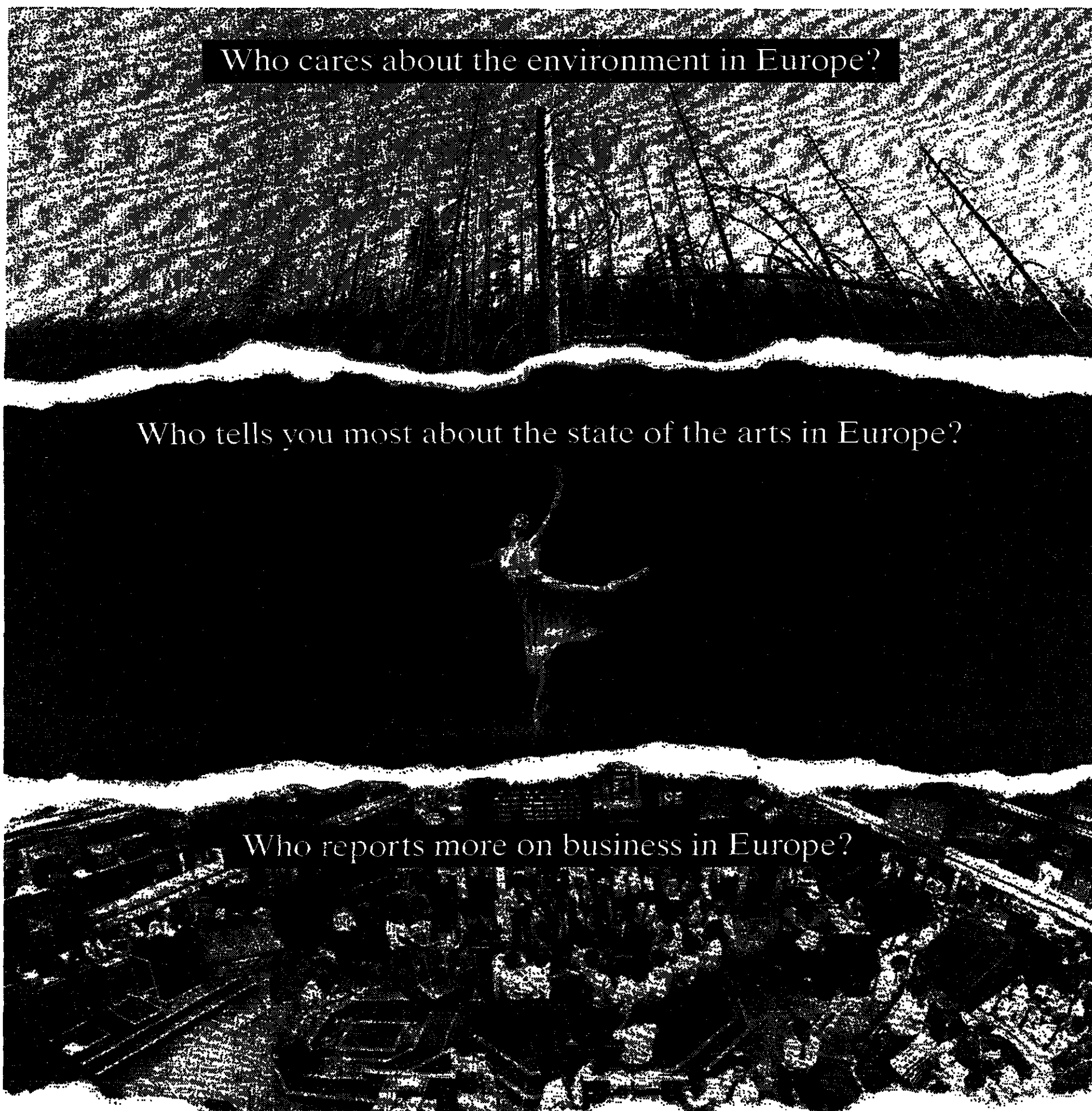
"Their cadres are in disarray. We have smashed up the hardcore leaders," he told a news conference.

Wijeratne said troops who launched a major offensive in the northern rebel stronghold of Jaffna last week were consolidating their positions in an area around a military garrison.

The troops had broken a rebel siege of the garrison in an old colonial fort where 200 soldiers and policemen had been trapped for three months.

Wijeratne said the Tigers, sniping from sewerage canals, were holding up troops advancing into other parts of the town, the heart of the Tamil community.

Parliamentary Affairs Minister Vincent Perera urged parliament to extend a state of emergency for another month.



Who cares about the environment in Europe?

Who tells you most about the state of the arts in Europe?

Who reports more on business in Europe?

The European. It's the one newspaper devoted entirely to Europe, with three separate sections in full colour that give you the best insights into European business opportunities.

jobs, investments, holidays, fashion. It gives you essential information

on the environment. On health, lifestyle, education, sport. Every week

it focuses on issues that concern us all, in Europe.

This Friday, open The European - it opens up Europe for you.

THE EUROPEAN
Buy it every Friday, and open up Europe.

UK NEWS

New evidence of recession as growth of money slows

By Rachel Johnson, Economics Staff

THE EVIDENCE of recession mounted yesterday as figures showed a sharp slowdown in the growth of money in the economy.

The Bank of England announced that M0, the narrow measure of money almost entirely consisting of notes and coins in circulation, had fallen for the first time for a year into the 1.5 per cent target range set by the Treasury in the Budget of 1989.

Since that Budget, M0, the Treasury's preferred indicator for its close relationship with retail sales and consumer spending, has never been on target except for a freak occurrence last September when a postal strike affected the supply of cash.

Yesterday the Treasury welcomed M0's falling growth rate from 5.5 per cent in July to 4.9 per cent in August, which it said was "properly inside its target range."

"The figures clearly show a slowdown as a result of firm monetary policy," it said. The authorities were also pleased by the "subdued" £4.8bn figure for bank and building society lending to the private sector.

The broader measure of money, M4 - cash and deposits held by the private sector at

banks and building societies - confirmed the downwards drift of monetary growth. Its annual growth rate shrank from 16.3 per cent in July to 15.5 per cent in August.

City economists declared the money supply data to be unambiguous evidence of the pronounced economic slowdown. All the monetary aggregates were, for once, pointing in the same downwards direction, they noted. This convergence of the aggregates was a pattern economists had observed in the first half of 1989, too late to take action to prevent the recession of 1989-1991.

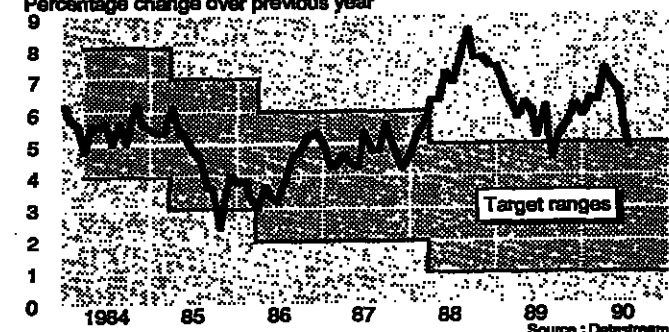
Mr John Shepherd, econo-

mist at Warburg Securities, said reduced monetary growth was consistent with the recessionary indicators of rising unemployment, falling retail sales and the squeeze on the corporate sector. Yesterday's figures were "no blip," he said. The trend would continue on the basis that notes and coins in circulation for the first three weeks of this month heralded a further drop in the M0 growth rate to 4.7 per cent in September.

However, the consensus of expectation was that it would be uncharacteristic were the Chancellor to cut interest rates soon.

Money Supply M0

Percentage change over previous year



BRITAIN IN BRIEF



Lonrho serves writs on Fayed

Lonrho, the international trading conglomerate, reopened the battle for control of the House of Fraser stores group by issuing writs against its owners, the three Fayed brothers and House of Fraser Holdings.

Lonrho is claiming the recovery of its 29.99 per cent stake in House of Fraser that it sold to the Fayed in 1984 and the transfer to Lonrho of all the remaining shares in the group which owns Harrods.

The grounds for its action are that the Fayed made fraudulent misrepresentations both to Lonrho and to the regulatory authorities about their commercial standing, background and financial position before and during their successful £616m bid for House of Fraser in 1985.

Mr Michael Cole, a spokesman for the Fayed described

Lonrho's action last night as the "last gasp" in the "longest whinge in British commercial history."

John Lewis profits fall

John Lewis Partnership, the department store and supermarket retailer, revealed a 21 per cent fall in interim pre-tax profits to £33m as it struggled in the face of difficult high street trading conditions.

Mr Peter Lewis, chairman, told the group's 32,000 partners (employees) that divisible profits for the year were also likely to be lower than in the previous year.

By-election date announced

The by-election to find a successor to Mr Ian Gow, the Conservative MP murdered by the IRA, will be held on October 18, it was announced.

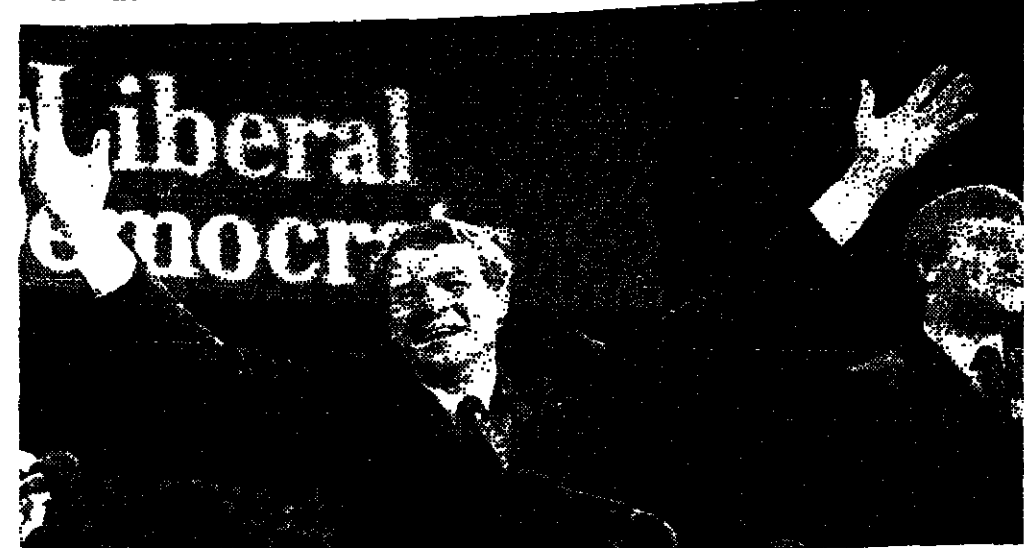
Conservative and Liberal Democrat candidates have been chosen, and Labour is expected to announce its selection on Monday.

ABTA backing withdrawn

The Association of British Travel Agents withdrew its backing for the troubled Exchange Travel chain which was put into financial administration earlier this week. The

Liberal Democrats embrace policy of market forces

MR Paddy Ashdown signalled a shift in the Liberal Democrats' strategy by embracing market forces and increased competition in privatised and state-run industries. In a rallying conference speech to Britain's third party he sought to ditch its "centre-left" image on the economy. He said the guiding spirit of its approach to the next general election would be: "A liberal market, an investment-led market; and a market founded on individual skills and enterprise."



move follows a meeting of ABTA's Travel Agents Council which decided that Exchange was not in a sufficiently stable financial position to retain ABTA membership.

Lawyers alter the rules

The Bar is to change its professional rules to allow barristers employed in commerce and industry to offer advice direct

to their employers' clients for the first time.

Halifax profits grow by 20%

Halifax, the largest UK building society, enjoyed a sharp rise in both its share of the mortgage market and its pre-tax profits during the first half of the year, despite the depression in the housing market. Pre-tax profits for the society

in the half year ending in July were £285m, up by 20 per cent on the first half of 1989.

Channel 5 plans revealed

Government should increase the amount of money spent to fund research at polytechnics and colleges, says a report. It recommends an increase in research funds to £58m.

AUTOMOTIVE INDUSTRY

Japanese suppliers may replace sacked Rover parts makers

By John Griffiths

ROVER GROUP is to sack a number of UK component suppliers it says failed to meet delivery schedules earlier this year, costing Rover lost production of several hundred cars a week.

Some of the replacement suppliers would be required to build production facilities close to Rover's Longbridge plant near Birmingham to ensure their ability to meet the group's "just-in-time" supply requirements - to supply just enough for immediate needs, cutting out the need for stocks, the company said yesterday.

Rover is refusing to name the suppliers involved. However, Sir Graham Day, its chairman, said they would not work for the group again.

The British Aerospace subsidiary is also making clear that it will not hesitate to use Japanese component companies if UK or Continental component suppliers acceptable to Rover cannot be found.

Rover spends £22m annually with suppliers. Some 90 per cent of this is spent in the UK and Rover has maintained a policy of "buying British" wherever possible.

Both Rover and its partner Honda, whose car manufacturing plant in Wiltshire is due on stream in two years, have previously said they see no reason for a large influx of Japanese component groups.

Honda, which is to produce an initial 100,000 cars a year, will be spending £650m-£700m

annually on parts supplies for the Wiltshire operation. Rover's decision provoked little surprise among other car makers last night. "This is relatively common practice," according to an executive with one of the UK's other leading car makers. "The only difference normally is that it's all done very quietly, since it's in neither the car maker's nor supplier's interest to talk about it publicly."

The areas in which suppliers are being sought are understood to include interior trim, glass and wiring. Although Rover would provide a confirmation last night.

The UK car industry's gathering exports drive was mainly responsible for a 10.4 per cent increase in UK car output last month, despite sharp falling sales in the UK itself.

Output of cars specifically for export was up by more than a fifth compared with August 1989, according to figures published yesterday by the Central Statistical Office in conjunction with the Society of Motor Manufacturers and Traders.

Some senior executives at the International Motor Show in Birmingham appeared slightly taken aback by the extent of the increase. The figures have been published against the background of a show which has echoed with concern about the impact of high interest rates of the UK economy.

Britain to oppose EC plan for reduction of greenhouse gases

By John Hunt, Environment Correspondent

PROPOSALS for tougher targets for the reduction of greenhouse gases and harmonisation of measures for "green" taxes will be strongly opposed by Britain at a meeting of EC environment ministers in Rome this weekend.

Britain has proposed stabilisation of carbon dioxide emissions from fossil fuels such as coal and oil - the main cause of global warming - by the year 2005.

The Italians, who have just assumed the presidency of the EC, are pressing for a declaration of intent to stabilise by the year 2000 and are supported by other member countries.

Yesterday Mr David Trippier, Environment Minister, described such a proposal as "ludicrous" and said he would be taking a tough line in opposing it. Mrs Thatcher has endorsed the British target and Mr Trippier said there is no intention of budging from it.

"We could agree tomorrow on a target for the year 2,000 if we were prepared to close down half our coal mines and have no economic growth," he said.

The British stance has angered environmental organisations. Climate Action Network, representing leading UK environmental groups, have written to Mr Chris Patten, Environment Secretary, urging him to stop "foot-dragging" if he really wants to bury the

allegation that Britain is "the dirty man of Europe."

The controversy is particularly embarrassing for the Government. It comes just before the publication next week of its white paper on the environment which it claims will set the "green" agenda until the turn of the century.

Proposals from the EC Commission for the harmonisation of economic measures including a carbon tax on fossil fuels, to protect the environment will also be debated at the meeting.

Further improvement of energy efficiency and conservation should be the cornerstone of an energy policy to tackle the greenhouse problem.

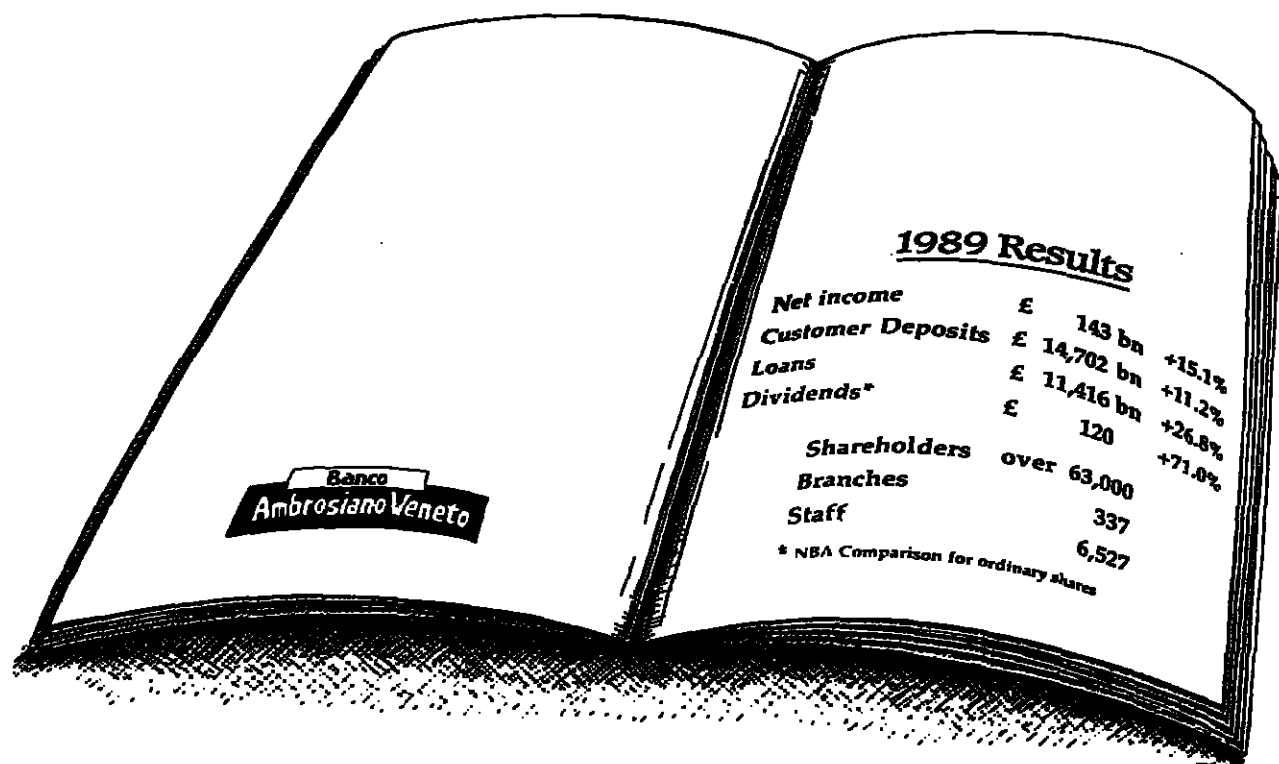
"Therefore new taxation regimes for energy products or the introduction of a specific carbon dioxide tax, have to be developed which can guarantee sufficient slow down of future energy demand," say the Commission documents.

Harmonisation of the measures was essential in order to prevent distortions of trade with the completion of a single market in 1992.

But Mr Trippier said it was surprising that the EC had introduced the subject at such an early stage of their presidency. At the meeting he will maintain that the arguments for harmonisation are weak and that the examples "do not stand up."

Nuovo Banco Ambrosiano and Banca Cattolica del Veneto
now have a single annual report

WE'RE NOW ONE BANK



The two banks were formally merged on 31st December 1989.

Having worked together for several years and with practically no overlapping of territory, our merger was a logical development. By many criteria we are now Italy's largest private bank. Size, of course, is not everything - even if we can also point to our plans to open some 30 new branches in the near future.

Our international activity is in expansion although we have no immediate plans to open

foreign branches. Instead, we are making co-operation agreements with a number of major European banks. Good relations continue with some 3,500 correspondent banks throughout the world.

Within Italy we are among the leaders in universal banking. Our Ambrosiano Group covers all services from leasing, insurance brokerage, merchant banking to investment management.

We are truly the bank that's "on the spot" in Italy's top locations.

**Banco
Ambrosiano Veneto**

BANKING AND FINANCIAL SERVICES

Piazza Paolo Ferrari 10, 20121 Milano - tel. (2) 85941 - fax (2) 807276 - telex 335687 BAVDIG I
Copy of our annual report will gladly be sent on request to our External Relations Department



UK NEWS

A golden English summer fit for cricket's heyday

John Pitt takes a personal view of an extraordinary summer which has rewritten the record books

AUTUMN has fallen across England. There is a chilliness in the night air and mist in the morning. Summer has passed, but if ever one wanted a day on which to record its end it would quite possibly be today - especially if one was a lover of that most English of sports: cricket.

For lovers of the game the end of English county cricket season this afternoon will unquestionably be the last throw of summer, and despite six months of competitive play the laurels have still not been awarded. Middlesex and Essex are still battling for the county championship, though the odds are in favour of Middlesex.

To those who do not know the game it may seem a strange sport that takes so long to be decided. "Don't matches last up to five days?" the critic asks. "Don't they play all that time and yet still don't find a winner? Can there be a place in the modern world for such a sport?"

Yet cricket is a game that is played right across the world at Bridgetown and Port-of-Spain in the West Indies to Dunedin and Auckland in New Zealand; from Hyderabad and Bombay in India to Perth and Melbourne in Australia.

Even in America the game is played, from Washington to California on coconut match pitches, although mostly by West Indians, English and Australians. In New York there is a park in the Bronx where teams gather on a field where George Washington massed his troops before his victory march.

Not that anyone would doubt the right of England to claim the game as its own. A visitor will probably be told to see the Houses of Parliament, Buckingham Palace, The Tower of London, perhaps the universities of Oxford and Cambridge. All are centres of British culture and history, and represent the spirit of the country.

But few who come in the summer months will be told to take the underground to St John's Wood, a tree-lined suburb a mile or so north of the centre of London, to see Lord's cricket ground, home of the Marylebone Cricket Club. As



every religion has its place of worship so too has each sport - and Lord's is as revered by cricket lovers as Rome to the faithful.

St Peter's has its relics, and so too has Lord's: the only sparrow known to have been killed by a cricket ball (bowed by a man from the University of Cambridge in 1936); and, of course, the Ashes, a small black urn inscribed "In affectionate remembrance of English cricket which died 1882. Deeply lamented by a large circle of sorrowing friends and acquaintances. The body will be cremated and the Ashes taken to Australia."

There is no need for the visitor to get squeamish. The Ashes are nothing more than a wooden cricket stump, burned on the occasion of England's first loss to Australia. Yet over this small object locked away in a glass cabinet the countries of England and Australia, together with hundreds of thousands of spectators raise a sporting passion every two

years. Cricket is a game that, unlike many others, causes an emotion near to worship.

Cricket and especially cricket in England has a history that is full of legend and heroes, of matches won on the last ball of the very last day, of stories that would hardly be considered credible except that they are written in all the history books which fill the cricket lovers' winter.

But cricket is a game of the summer. As Neville Cardus, one of the greatest of writers on the game said sixty years

Few visitors to London in the summer months will be told to take the underground to St John's Wood where the tree-lined suburb a mile or so north of the centre of the capital surround the traditional home of cricket

ago: "Cricket...must always be less than itself if it is taken out of England and out of the weather of our English summer."

TOTAL			
Nº 6	641	Nº 5	
0 Wkts	4	32	
LAST	641		
WKT			
LAST	333 B	B9	
MAN			
10BOWLER	9 OVERS	65	

England captain Graham Gooch, pictured left, dominated the first Test match against India played in July at Lord's. The famous scoreboard (above) records his historic innings of 333 before he was finally bowled. It was an innings built from 485 deliveries, and contained 43 fours and three sixes. He became the sixth highest scorer in Test matches. With a score of 123 in his second innings Gooch became the first player in history to score a triple hundred and a hundred in the same first class match. His aggregate of 456 was also the highest in Test cricket. Other records were smashed in the same game: Indian all-rounder Kapil Dev took four consecutive sixes off an over and equalled the Test record of 24 runs in an over; the match aggregate of 1,603 was a record for a Test held at Lord's; and England's first innings total of 653 for four declared was their highest total against an Indian touring side.

If proof was needed, one would only have to recall the summer now ended. Few of us who love the game and were in London during the months of high summer, weeks when the sun shone continuously and temperatures soared into the high nineties and grass was burned brown, for us it was one summer we shall cherish for the rest of our lives.

The drama and the excitement captured the imagination of millions. How can one forget that Friday in July when during the First Test Match between England and India at Lord's, a match spread across five sweltering days, a great batsman secured his place in history with a score that, while not the highest ever made by a batsman in a single innings during the 250 years of the game, was as full of verve, drive, skill and concentration as any.

And it all came about on the toss of a coin when the Indian captain Azharuddin (himself to score a dazzling century in the same game) decided to put the English into bat.

It was a decision that Graham Gooch, the England captain, did not question. Over two days, more than ten hours at the wicket, he himself amassed 333 runs. Even then the records still fell. In his second spell at the wicket Gooch went onto to score a further hundred runs, and by so doing recorded the highest aggregate score ever in Test matches (those played between recognised national teams).

On the Monday of the match

St Peter's has its relics in Rome but so does Lord's: among them the only sparrow known to have been killed by a cricket ball was bowled in the summer of 1936 by a bowler from the University of Cambridge

the brilliant Indian batsman and bowler Kapil Dev lofted four consecutive balls over the boundary rope: four sixes in a row, equalling another record

(and, incidentally, saving the dignity, if not the match, for India). Finally, and as if to underline his stamp on the match, Gooch took the last Indian wicket: by then the match was as good as over. Nevertheless it was a moment when, for those in the crowd, time stood still, as he took the ball and threw it at the stumps.

Many other cricketing records fell this summer in England, and another cricketing knight was created: Sir Richard Hadlee, the New Zealand bowler, who has taken more wickets than anyone, became the first to be honoured while still playing.

The history books will have to be re-written. But that will make the winter will seem shorter for the cricket lover at least. In any case there is much to look forward to as this winter the England side fly to the other side of the world and an Australian spring. The grass will be green there.

British companies 'lagging behind' in the race for 1992

Fiona Thompson Labour Staff

UK companies are lagging behind their continental counterparts in preparing for 1992, a study has found.

Interviews with 425 companies from 10 EC countries, including 50 from the UK, found that nearly half the UK participants do not have business plans for 1992.

The vast majority of the respondents from the rest of Europe have developed and are executing strategic business plans geared to 1992.

UK companies' lack of interest in language training is a case in point: 54 per cent of UK companies said they regarded language training as "not important".

The survey, by KPMG Peat Marwick Management Consultants, was conducted in February and March of this year. It was intended to compare how UK companies and their continental competitors were preparing for 1992.

The 50 UK respondents included 25 manufacturing companies, four from retail and distribution, two financial services companies and 19 from other services.

Seventeen of the companies were medium sized (up to 500 employees), and 32 large (over 500 employees).

Fourty-six per cent of UK companies had no specific plans for 1992, whereas the total European sample showed 20 per cent of companies lacking a plan.

Many UK companies

reported difficulties in recruiting sufficient high calibre staff across a wide range of disciplines.

The larger UK companies see 1992 as a bigger pool to recruit from, smaller companies see it as a threat.

Many UK companies foresee increased competition for staff from continental companies having an impact on remuneration policies.

Several groups - including general management, information technology and sales and marketing staff - were identified as potentially vulnerable to competitive pay offers from continental companies.

On the question of training, the survey indicated that 1992 will have a major impact on the nature, structure and delivery of company training.

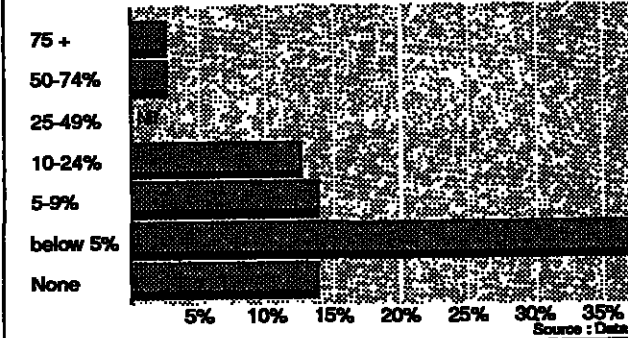
Despite the 54 per cent of UK companies which regard language training as "not important", one quarter of the respondents said they plan to give greater emphasis to language training in 1992.

That said, they will be starting from a very low base. More than half (52 per cent) of UK companies have less than five per cent of management able to conduct business proficiently in a language other than English.

Trends and Developments in Human Resource Management - Europe 1992. National Report UK. Peat Marwick, 8 Salisbury Square, London EC4.

Managements language capabilities

% of UK managements able to conduct business in another European language



DAI-ICHI KANGYO BANK

DKB ECONOMIC REPORT

September 1990: Vol. 20, No. 9

The Economy Remains Firm But Negative Factors Are Seen in Labor Supply

The situation in the Persian Gulf has been growing increasingly tense since Iraq's invasion of Kuwait in early August. Japan, the U.S. and European countries suspended oil imports from Iraq and Kuwait. The U.N. Security Council adopted a resolution banning trade and financial transactions with the two countries. Iraq announced its annexation of Kuwait. Reflecting these developments, oil prices have soared and uncertainty over the outlook for oil supplies is increasing.

Although approximately 11% of Japan's oil imports come from Iraq and Kuwait, an immediate shortage of oil appears unlikely because Japan's strategic reserve, as of the end of July, could supply the nation for some 142 days. Nonetheless, the situation in the Middle East requires close monitoring, since higher oil prices and their inflationary impact can be expected in the event of a protracted crisis.

Domestic Economy Continues to Expand

The increased instability in the Persian Gulf is expected to have a major impact on the Japanese economy. However, with both domestic and overseas demand still fueling its ongoing economic expansion, Japan seems well-positioned to ride out the short-term effects of the crisis.

An analysis of demand trends shows that personal consumption is steadily growing bolstered by rising real income, while corporate capital investment remains brisk. While private machinery orders (excluding electric power and shipbuilding), a leading indicator of capital investment, posted a modest year-to-year increase of 7.5% during April-June, 1990, construction orders received (50 principal private companies) sustained a high growth rate of 33.3%.

Export volume, which registered a year-to-year decline in its growth rate during the second half of 1989, increased 4.2% in January-March and 5.7% in April-June (on a customs clearance basis). In light of increased demand, business inventories appear to be picking up again after a moderate adjustment that

began in the spring of 1989. The adjustment was the result of slower consumer spending in the wake of the implementation of a consumption tax, coupled with a slowdown in exports. As a result of the improving situation in the inventory situation, year-to-year production growth in the mining and manufacturing industries bottomed out at 1.8% in January-March and rose to 3.4% in April-June.

Labor Shortage Intensifying

Although the Japanese economy is steadily expanding, the nation's labor shortage is becoming acute, with the ratio of job offers to job seekers reaching 1.47 in June. Concern is mounting that the shortage will push up wages and prices.

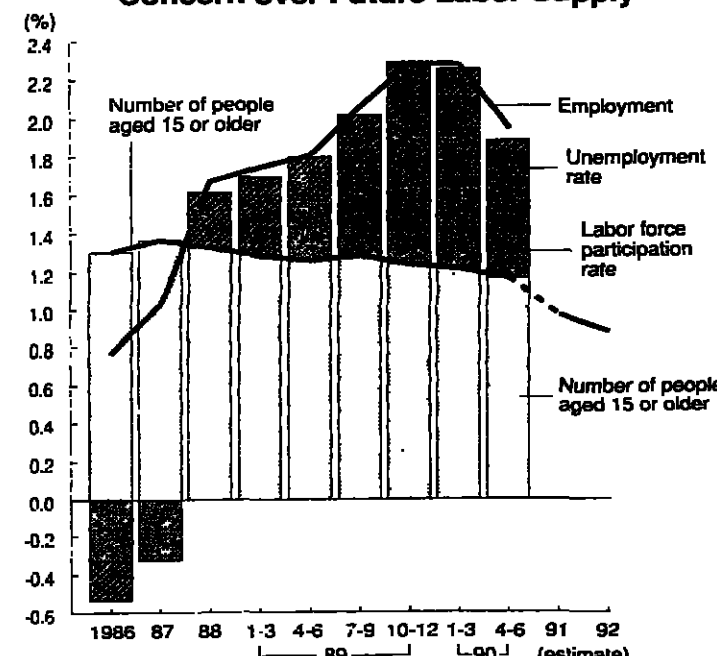
The supply of labor has failed to keep up with demand under the continuing economic expansion. As figure shows, the labor supply is still growing at the current pace because of an increase in the number of people aged 15 and over, added to a decrease in the rate of unemployment and an increase in the labor force participation rate attributable to economic expansion. However, the growth rate of the labor force peaked in October-December 1989 and dropped slightly in April-June this year.

The annual rate of increase in the number of people aged 15 and over will likely decline to around 1% in the near future. Although the population is expected to increase at a stable rate, it will not be able to keep up with the increase in demand.

The labor force participation rate cannot rise sharply in a short period of time because of structural problems in the labor market and the employment system. Its contribution to the increase in labor force seems to have already peaked. The labor force participation rate rose 0.3% in 1985 and 1989, with male workers dropping 0.3 percentage points and that of female workers rising 0.9 points.

The Japanese economy appears to have already reached a level close to full employment since the unemployment rate is hovering around 2.1-2.2% and there can be discrepancies between the

Concern over Future Labor Supply



Note: 1. The bent line shows the rate of year-to-year growth.
2. Columns show relative contributions to increases in the number of workers on the payroll.
Sources: Management and Coordination Agency, Institute of Population Problems of the Health and Welfare Ministry (December 1989 estimates)

characteristics of the labor supply and demand. The unemployment rate is unlikely to decline.

The growth of the labor supply will gradually slow down, which means a further tightening of supply and demand conditions in the labor market is very likely. There are fears that wage increases triggered by the labor shortage will push up prices. The inflation rate is already showing signs of edging up.

The current trends will accelerate if oil prices rise sharply in reaction to the increased instability in the Persian Gulf. This suggests that the Japanese economy, which appears to be enjoying

sustained growth, warrants guarded optimism.

"Presumably, if crude oil prices rise 10 dollars per barrel above the levels they stood at prior to the Gulf crisis (\$15.4 per barrel on a customs clearance basis in July), the rate of increase in Japanese consumer prices will rise 0.3-0.4 percentage points (DKB estimate).
"If the labor force participation rate of female workers, which stood at 49.5% in 1989, rises to the U.S. level of 57.4%, it will add some 4 million new women workers, thereby increasing the number of men and women in the job market by 6.5 percentage points.

Talk it over with DKB.
The international bank that listens.

The next DKB monthly report will appear Oct. 26.

How new is the news?

A happy quirk of the international time zones, coupled with the marvels of direct satellite transmission, means that now the Financial Times you pick up in Japan will be scarcely more than three hours old.

Since the rest of the Japanese press goes to bed the previous evening, the advantages to FT readers are obvious. These days, six hours can be enough to change our world.

Now when you travel to Japan the FT goes with you. You'll find your copy in Tokyo and in other major Japanese cities.

If you're a resident, of course, you'll want to make sure of the newest news every day. Subscribe to the new

Japan-printed edition of the FT, and receive a 35% discount off the regular news-stand price for your first year's subscription. We'll hand-deliver to your office in central Tokyo, first thing each morning. (If you're already a subscriber, you receive the new edition automatically.)

To apply call Tokyo (03) 295 1234 to order your subscription in Japanese or (03) 295 1990 to place an order in English, or simply return the coupon.

Financial Times (Japan) Ltd, Kasahara Building, 6-10 Uchikanda 1-chome, Chiyoda-ku, Tokyo 101, Japan. Fax: Tokyo (03) 295 1712.

How to subscribe to the FT's new Japan-printed edition

Yes, I would like to subscribe to the Japan-printed edition of the Financial Times. Please enter my subscription for:

☐ One year: 96,000 Yen + 3% consumption tax - 98,880 Yen.

☐ 6 months: 51,000 Yen + 3% consumption tax - 52,530 Yen.

Rates are valid for Japan only.

Send to: Financial Times (Japan) Ltd, Kasahara Building, 6-10 Uchikanda 1-chome, Chiyoda-ku, Tokyo 101, Japan. Telephone: Tokyo (03) 295 1234 (Japanese), Tokyo (03) 295 1990 (English). Fax: Tokyo (03) 295 1712.

☐ Payment enclosed.
☐ Bill me.

Name _____ Title _____

Company _____

Telephone _____

Delivery Address _____

Signature _____

Date _____

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

No order can be accepted without a signature.

London Branch: DKB House, 24 King William Street, London, EC4R 9DB, United Kingdom Tel. 71-283-0929
Subsidiary in London: DKB International Limited, DKB House, 24 King William Street, London, EC4R 9DB, United Kingdom Tel. 71-283-7777 Associated Companies in London: DKB Investment Management International Limited, Eurobraz Ltd, International Mexican Bank Ltd.

Head Office: 1-5, Uchisawachio 1-chome, Chiyoda-ku, Tokyo 100, Japan Tel. (03) 596-1111 Branches and Agencies in: New York, Los Angeles, Chicago, Atlanta, San Francisco, Panama, Cayman, Düsseldorf, Munich, Paris, Taipei, Seoul, Singapore, Hong Kong, Kuala Lumpur, Bangkok, Beijing, Shanghai, Guangzhou, Canton, Bombay, Sydney, Melbourne, Subotofarise Inc. Bahrain, Jakarta, Kuala Lumpur, Singapore, Zurich, Luxembourg, Frankfurt, Hong Kong, Singapore, Sydney, Los Angeles, New York, New Jersey, Toronto, Cayman, Amsterdam, Kuala Lumpur, Jakarta, Brunei, Zhengzhou

The annual report for the fiscal year ended March 31, 1990, is available upon request. Please direct inquiries to the address below.
DKB's shares are listed on the main European stock exchanges (Amsterdam, London, Paris, Zurich, Geneva, Basel).

The Dai-ichi Kangyo Bank, Limited
Annual Report 1990
April 1, 1989 - March 31, 1990

We have your interests at heart.
DAI-ICHI KANGYO BANK

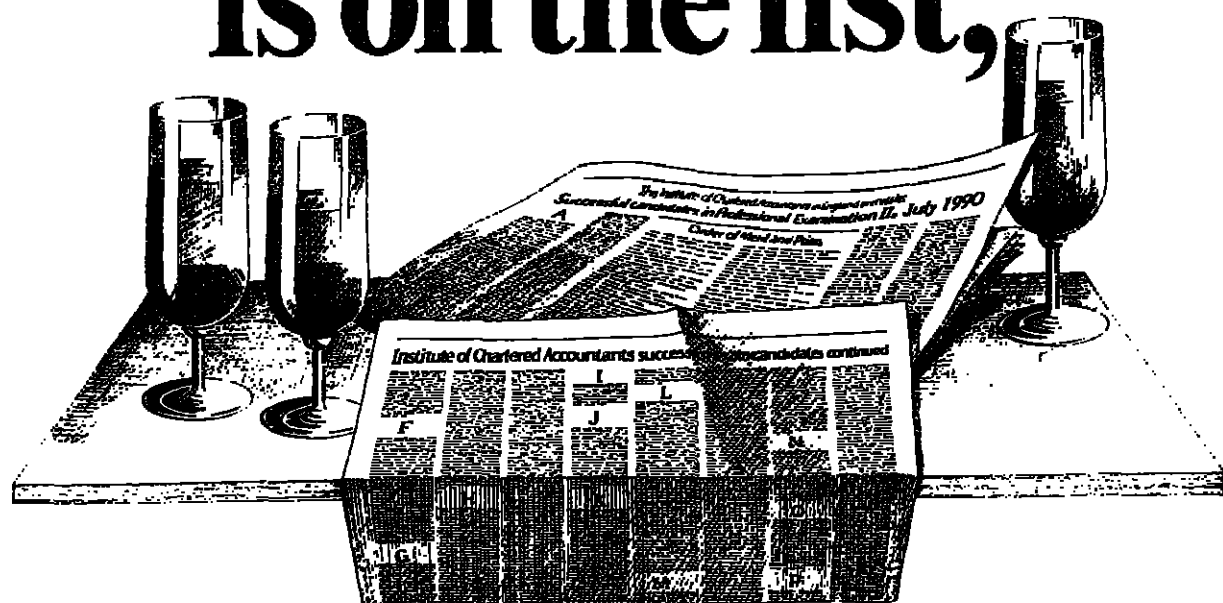
London Branch:
DKB House, 24 King William Street, London EC4R 9DB, United Kingdom Tel. 71-283-0929
Head Office: Public Relations Office
1-5, Uchisawachio 1-chome, Chiyoda-ku, Tokyo 100, Japan Tel. (03) 596-2168

NEWLY QUALIFIED

ACCOUNTANCY APPOINTMENTS

NEWLY QUALIFIED

If your name is on the list,



we may have more good news for you.

Now that the PEII is behind you, it pays to review your many options. And a good place to start is with someone who has a lot to offer you.

As one of the largest firms of business and financial advisers in the United Kingdom, we can deliver a wealth of opportunities.

So whether your aspirations lie in accountancy and financial reporting, business systems and advice, corporate strategy, taxation, management consultancy or insolvency, it's worth talking to Ernst & Young. We're looking for people with a wide range of skills and talent, and with our individually focused training and development programme, you'll have the best chance to establish your full potential.

If you'd like more information, write - telling us about your career to date and your areas of interest - to Barry Compton, Ernst & Young, Becket House, 1 Lambeth Palace Road, London SE1 7EU.

Ernst & Young

Congratulations. The best is yet to come

Work can be fun - we call it the enjoyment of success: by choosing the right firm now your career in accountancy could quickly become more varied, challenging and rewarding than you ever thought possible. Our status and culture separate us from the rest of the field. We recognise independent thought and creative flair, self-motivation and ambition. We are committed to excellence

in client service, based on effective teamwork. The resulting climate for our newly qualified accountants is one in which the individual is constrained only by his or her ability. And we will be helping every step of the way, because we care; about you, our clients, the profession, and the future. So, congratulations - the best is yet to come.

from Coopers & Lybrand Deloitte

Coopers
& Lybrand
Deloitte

Solutions
for Business

THE NEWLY QUALIFIED'S GUIDE TO RECRUITMENT CONSULTANTS

ACCOUNTANCY WORKSHOP

1st Floor,
37-39 Corn Street
Bristol, BS1 1HT
Tel: (0272) 255744
Contact Nigel Roberts.
Branches in Bath, Bristol,
Cardiff and Swindon. Vacancies
throughout the south west and
Wales

**ALEXANDER MANN
ASSOCIATES plc.**
Norfolk House,
Pannell's Court,
Guildford, Surrey GU1 4EU
(0483) 34455. Contact Tim
Rodda

**DAVID CHORLEY
ASSOCIATES**
Hanover House,
73-74 High Holborn
WC1V 6LS
071-831 4447

**EXECUTIVE
CONNECTIONS**
43 Eagle Street, London WC1R
4AP
Tel: 071 242 8103
Commerce and Industry and
Public Practice Appointments

EXECUTIVE CONNECTIONS
12-14 Mason's Avenue,
London EC2V 5BT
Tel: 071-6000 1122
Banking and Finance
Appointments

EXECUTIVE CONNECTIONS
15 Gun Street, Reading.
Berkshire RG1 2JR
Tel: (0734) 500901.
Commerce and Industry and
Public Practice Appointments.

FINANCIAL RECRUITMENT PARTNERSHIP

6 Foster Lane
London EC2V 6HH
Tel: 071 726 4801
High quality service supported
by a strong client base.

FINANCIAL SELECTION SERVICES

Drayton House
Gordon Street
London WC1H 0AN
Tel: 071-387 5400
Fax: 071-388 0857
Leading specialists in
Commercial, Industrial and
Public Practice Recruitment for
Qualified and Part-Qualified
Accountants.

**RICHARD JAMES
ASSOCIATES**
Commercial Appointments
for newly qualified
accountants, London and the
Thames Valley.
Contact Ronnie Sull
071-222 8866.
071-222 8037/8
Fax: 071-223 1759

**JPMS RECRUITMENT
CONSULTANTS**
3 Catherine Place, Westminster,
London SW1E 6DX
Tel: 071-233 5204
Fax: 071-233 6971

Contact: Lee Acton or Andrew
Fisher part of JPMS
Management. Consultants, we
specialise in the recruitment of
high calibre senior staff in
finance and other fields.

MICHAEL PAGE FINANCE ACCOUNTANCY, TAXATION & LEGAL RECRUITMENT CONSULTANTS

LONDON OFFICE:
39-41 Parker Street
London WC2B 5LH
Tel: 071 831 2000
Fax: 071-831 2612

ST ALBANS OFFICE:
Centurion House
136-142 London Road
St Albans
Herts AL1 1SA
Tel: 0727 865813
Fax: 0727 41616

WINDSOR OFFICE:
Windsor Bridge House
1 Brocas Street
Eton
Berkshire SL4 6BW
Tel: 0753 856151
Fax: 0753 864605

LEATHERHEAD OFFICE:
Cygnat House
45-47 High Street
Leatherhead
Surrey KT22 8AG
Tel: 0272 375661
Fax: 0272 370101

BRISTOL OFFICE:
29 St Augustines Parade
Bristol BS1 4UL
Tel: 0272 276509
Fax: 0272 264223

BIRMINGHAM OFFICE:
Bennett's Court
6 Bennett's Hill
Birmingham B2 5ST
Tel: 021 643 6255
Fax: 021 233 4452

NOTTINGHAM OFFICE:
Imperial Building
Victoria Street
Nottingham NG1 2EX
Tel: 0602 483480
Fax: 0602 410125

MANCHESTER OFFICE:
Clarendon House
81 Mosley Street
Manchester M2 3LQ
Tel: 061 228 0396
Fax: 061 236 6961

LEEDS OFFICE:
Leigh House
28-32 St. Paul's Street
Leeds LS1 2PX
Tel: 0532 450212
Fax: 0532 436362

NEWCASTLE OFFICE:
25 Collingwood street
Newcastle Upon Tyne
NE1 1JE
Tel: 091 222 0545

GLASGOW OFFICE:
150 West George Street
Glasgow G2 2HG
Tel: 041 331 2597
Fax: 041 331 1426

**MICHAEL PAGE CITY
Banking, Treasury & Investment
Recruitment Consultants**
39-41 Parker Street
London WC2B 5LH
Tel: 071-831 2000
Fax: 071-831 2612

MICHAEL PAGE INTERNATIONAL FINANCIAL RECRUITMENT CONSULTANTS

Windsor Office:
Windsor Bridge House
1 Brocas Street
Eton
Berkshire SL4 6BW
Tel: 0753 856151
Fax: 0753 864605

NICHOLAS ANDREWS
The Midlands Specialist in
Financial Recruitment.
West Midlands: 126 Colmore
Row,
Birmingham B3 3AP
Tel: 021-233 4450
Fax: 021-236 5350
Contact: Sue Worthing

EAST MIDLANDS:
11 St Peter's Gate,
Nottingham NG1 2JF
Tel: (0602) 414480
Fax: (0602) 413652
Contact: Julian Smyth

ROBERT HALF
Financial Recruitment Specialists
in London, Birmingham,
Windsor, Manchester, Bristol,
Leeds, Southampton, New York
and 153 other cities worldwide.

Walter House
Bedford Street
418 The Strand
LONDON
WC2R 0PT
Tel: 071 836 3545

63 Temple Row
BIRMINGHAM
B2 5LS
Tel: 021 643 1663

Princess Beatrice House
Victoria Street
Windsor
BERKS SL4 1EH
Tel: 0753 857777

Brook House
Spring Gardens
MANCHESTER
M2 2BQ
Tel: 061 236 0101

33 Wine Street
BRISTOL
BS1 2BQ
Tel: 0272 252572

Gresham House
7 St Pauls Street
LEEDS
LS1 2JG
Tel: 0532 428978

6 The Carronades
New Road
SOUTHAMPTON
SO2 0AA
Tel: 0703 233131

**ROBERT WALTERS
ASSOCIATES**
Robert Walters Associates
Queens House
1 Leicester Place
Leicester Square
London WC2H 7BP
Telephone: 071-437 0464
Contact: Richard Parnell

Robert Walters Associates
1st Floor
The Citadel
190 Corporation Street
Birmingham B4 6QD
Telephone: 021-212 2400
Contact: Simon Moser

Robert Walters Associates
4A High Street
Windsor
Berkshire SL4 1LD
Telephone: 0753 831 515
Contact: Stuart Blake

Robert Walters Associates
Centrex House
31-33 Corn Street
Bristol BS1 1HT
Telephone: 0272-308 818
Contact: Chris O'Doherty
ACA

Robert Walters Associates
512 Avenue Louise BTE3
1050 Brussels
Belgium
Telephone: 010 322 6484747
Contact: Patrick Craps

Robert Walters Associates
Mechelsesteenweg 203
Box 15
2018 Antwerp
Belgium
Telephone: 010 323 281 0115
Contact: Marcus van
Gysechem

Robert Walters Associates
Rivierstraat
Amsteldijk 166
1079 LH Amsterdam
Hollan
Telephone: 010 3120 444 655
Contact: Giles Daubeny

FINANCIAL TIMES SURVEY

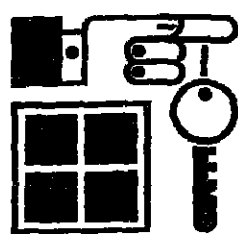
CITY OF LONDON PROPERTY

SECTION IV

Friday September 21 1990



View over the City showing the MatWest Tower. The long predicted oversupply of office buildings has become a reality with available space at the end of June double last year's take up.



In spite of demand fuelled by overseas investors and the traditional draw of the Square Mile,

acute excess supply in the City of London property market is giving headaches to developers and landlords. Property Correspondent Vanessa Houlder reports

Building on shaky ground

THE CITY of London has become a building site. Dominated by cranes and deafened by pile drivers, it is going through one of the most active periods of rebuilding ever undertaken.

But the foundations of the gleaming new office blocks are less secure than they should be. This year the long predicted oversupply of office space has become a reality. At the end of June, available space was double the previous year's take up.

Vacancy rates reached 9.4 per cent by the end of June and are heading for 15 per cent in the first half of 1991, according to Jones Lang Wootton.

The surplus of office buildings is having severe effects. Yields are widening, rents are falling and capital values are plummeting. The potential losses on some developments are awesome.

On the face of it, the landlord's loss is the tenant's gain. "In terms of quality, choice and price, tenants have never had it so good," says Mr David Comyn of Savills, the surveyors.

If tenants are prepared to put the quality of their accommodation before the necessity for a central location, their

options are wide open. They can often move to far more spacious, well-designed offices for a lower rent, since much of the new building has occurred outside the City core.

The desire for modern, high tech space is evident. "Eighty per cent of London office space is out of date in that it was built before 1984 and does not match up with what tenants want," says Ms Sandra Jones, head of research at Baker Harris Saunders. The rise of the personal computer has meant that large floor voids are essential. High capacity electrical systems, air conditioning and large column-free floors are also favoured by clients.

Nonetheless, companies know that they do not have to rush into a deal. Whereas three years ago, they would have pre-let a development, now they are more likely to wait and see if rents soften further.

Already, rents are under pressure, although the severity of the downturn varies widely according to the locations and quality of the property. The decline in rents, which first hit older, non air-conditioned office blocks at the end of last year has now rippled out to the top end of the market.

However, not all tenants can

take advantage of falling rents. Often, they are restricted by 25-year lease obligations, with upwards-only rent reviews. In boom times this is not a problem. New tenants can be found for the buildings or the landlords are willing to take it back for redevelopment. However, in the current market tenants moving to new offices risk leaving their second hand buildings empty for many months. As a result, developers of new properties are offering substantial rent-free periods or, occasionally, to take over the old lease of the tenant.

Opinion is divided on the extent to which this is a two-tier market. On one hand, the desire to move into prime, new space together with concessions such as rent-free periods is expected to encourage tenants to take the plunge into a new building, leaving the older, second hand space piling up behind them. On the other hand, the problems of getting rid of old leases may delay the recovery of the new office market until beyond 1992.

At first sight, none of these problems are new. They are a natural part of the property cycle. However, what gives extra interest to this particular slump is the relaxation of planning consents. When the City Corporation revised its planning guidelines in 1986, it was claimed that the new rules would allow an additional 20m square feet within the City. Most of this is being exploited, in the view of Sandra Jones of Baker Harris Saunders.

The likely effect of the relaxation of controls is disputed. In the view of Salomon Brothers, it is a watershed for the market. Core City inventory has remained virtually the same at 56m square feet for nearly two decades, giving property an inherent scarcity value. Now that has gone, City offices no longer deserve a pricing premium, they argue.

Tenants have been increasingly bold in moving away from the City's traditional boundaries, they believe. In the old days, moving away from central London may have meant going to a suburban market like Croydon. Now suitable offices have become available in the City fringe, in the Docklands and potentially in other areas like Paddington

and Kings Cross.

But powerful forces still attract businesses to their traditional haunts. Even though the arrival of screen-based trading has abolished the need for brokers to be near the Stock Exchange, a lot of City business still relies on face-to-face contact.

The problems of surplus supply have inevitably been translated into declining capital values. Even ignoring falling rents, capital values in the City of London fell by 13.5 per cent in the year to August, 1990, according to Hillier Parker.

Turnover in the property market has slowed markedly. In the first quarter of 1990, it measured just £217m, compared with the quarterly average of £442m in 1989, according to Richard Ellis. Investment picked up in the second quarter to stand at £329m, but dropped back substantially over the summer, with confidence eroded further by the Gulf crisis.

The misery is unevenly distributed. The market is polarised with demand supporting yields at current levels for the few prime properties that have become available, while yields for other properties have risen markedly.

Demand for prime property persists, fuelled largely by overseas investors and in particular by Japanese life funds and construction companies - although it has fallen from its height 18 months ago. Sumitomo Life's recent acquisition of a 52.5 per cent interest in J P Morgan's new headquarters in Victoria Embankment for £220m is the latest telling example of the Japanese enthusiasm for high quality buildings in good locations.

Swedish companies and individuals have also built up large portfolios. The combination of the easing of restriction on overseas investment by the Swedish Central Bank and a fear of Fortress Europe has become a powerful incentive to overseas investment. They have preferred non-prime buildings with the potential for adding value by active management.

By contrast, the UK institutions have been conspicuous by their absence. With a few exceptions, such as Scottish Amicable's purchase of Kemp-

IN THIS SURVEY

SUPPLY AND DEMAND: the predicament of landlords and developers

TAX CHANGES: the effects of UBR and VAT.....Page 2

PROFILE: Land Securities is optimistic about its City portfolio

THE FUTURE PATTERN OF DEMAND: alternatives to the Square Mile.....Page 3

FINANCE: activity in the investment market

TECHNOLOGY: meeting the changing needs of the customer

PLANNING: the new look City emerges from behind the scaffolding.....Page 4

son House for £23m and Norwich Union's acquisition of Creed Court, Ludgate Hill, for £18m, domestic purchasers have been sitting on the sidelines.


According to Investment Property Databank, there was overall net disinvestment of £65.4m in 1989, as UK institutions took advantage of foreign interest to sell into a strong market. This year there have been fewer opportunities for sales, but also little sign of a revival in interest.

For developers, financiers and investors alike it has been an uncomfortable year. The likelihood in many cases, is that matters will get worse before they get better.

Taking a long term view, however, the clouds that hang over the market may have a silver lining. The rebuilding that took place in the late 1980s has started to address the questions of high rents and poor quality office stock which are serious threats to the City, according to a recent Bank of England Quarterly Bulletin. However uncomfortable the results for the property industry, the rebuilding of the past few years may have helped secure London's future as an international financial centre.

MARKET STATISTICS					
	Last 12 months	2nd quarter 1990	1990 to date	1990 forecast	1991 forecast
Take-up: let/purchased	4.8mst	0.8mst	2.4mst	4mst	4mst
Newly marketed space	8.6mst	3.0mst	5.2mst	8/8.5mst	6.5mst
Space on the market at period end (ready to occupy at period end)	12.5mst (5.8mst)	12.6mst (5.8mst)	12.5mst (5.8mst)	11.5/12mst (8.5mst)	11mst (8mst)
Vacancy Rate at period end	13%	13%	13%	14%	16%
Top Rental Value	£82.50	£82.50	£82.50	£80	£80
All Buildings Index% change	-5.7%	-1.6%	-1.8%	-5%	-5%

Source: Richard Ellis Research



122

LEADENHALL STREET
E C 3

A

Rare Opportunity
to Occupy Offices
in one of the
Landmark
Buildings
of the
Insurance and
Financial World

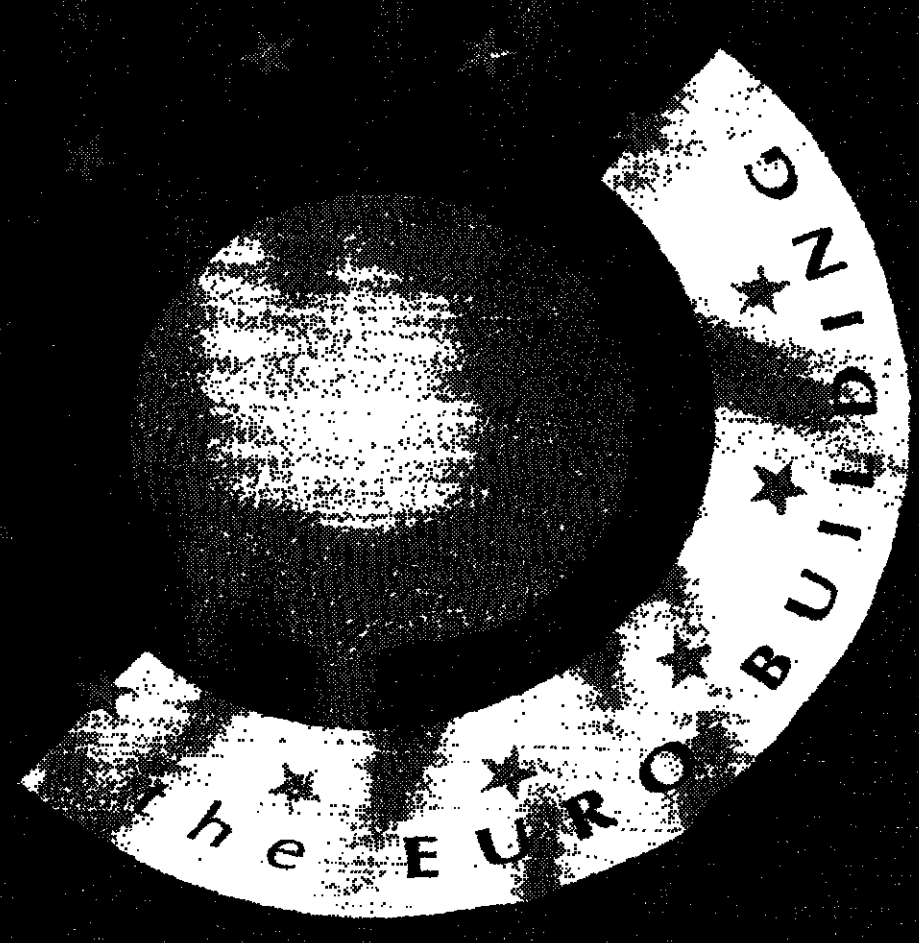
DEBENHAM TEWSON & CHINNOCKS

071-236 1520

Bancroft House, Paternoster Sq.
London EC4P 4ET

A PROPERTY OF INTERNATIONAL PROPORTIONS

L O N D O N E C 1



THE EURO BUILDING

180,000 SQ FT

The Euro Building will be a new Central London landmark strategically located in EC1, providing superb new air-conditioned offices plus car parking for up to 100 cars.

For audio visual presentation and further details of this unique new building contact:-

Jim Harries
FULLER PIESER
34 HOLLOWAY CIRCLE, LONDON EC1N 3JA
TAV 85 111 200
071-936 2233

Simon Williams
DONALDSONS
Chartered Surveyors
071-283 3939
72 King William Street London EC4N 7DS

CITY OF LONDON PROPERTY 2

Two important changes compound uncertainty

These taxing times

THE TIMING was perhaps unfortunate. Just when the City office market was developing its present hangover from Big Bang excesses, there came two tax changes to compound uncertainty.

One, the Uniform Business Rate (UBR) which is part of the new rating regime, had been foreseen for some time, but the other, Value Added Tax on property transactions, was only properly flagged up by a decision in the European Court of Justice in June 1988.

Insofar as the measures increase some City occupiers' outgoings, they will in theory bring downward pressure on rental values while the game adjusts to the new rules. The UBR and the new rating assessments have resulted in particularly large increases in rates payable in the City compared to the rest of the country, while many financial sector occupiers are unable to recover VAT.

But with both taxes weathered in grey areas and with the sagging office market further clouding the issue, no one is yet attempting to quantify the effect of that pressure.

The UBR, payable since April this year, is calculated on rateable values assessed as at April 1988, a date which was also unfortunate in that it saw City property values at a peak. The application of a national standard rate which superceded the previous discretionary local rates then produced increases of 30 or 40 per cent or more for some City occupiers.

While new occupiers will be liable for the full rate immediately, the UBR effect is judged by phasing provisions which limit increases for existing occupiers to 20 per cent plus inflation thus cushioning some of them for two or three years.

The VAT grey area is more extensive and long lasting because the whole question of VAT recovery itself is by no means black and white. Some tenants can recover and some cannot, while others can do something in between. In the short term, VAT on rents is also in some cases avoidable because in this transitional period it depends on the lessor exercising an "option to tax".

The exercising of that option will depend mainly on the lessor's own VAT input. VAT was not fully levied on building costs until April 1 1989 and has not been levied at all on building works for which contracts were signed before June 21 1988.

There are thus still some recently completed buildings and many others which have been let for some time on full repairing and insuring leases where the lessor's VAT input has been minimal and where there is therefore still no pressing reason to levy tax. The option, however, once exercised on any particular property is irrevocable and since August 1 1989, sales of commercial buildings have also incurred VAT, effectively

obliging new owners to recover by opting to tax rents. City buildings, in a buoyant market anyway, are relatively saleable commodities, and tend to change hands fairly regularly. VAT will thus creep forward on a ratchet.

For now, there is a mixture of "VAT buildings" and "non-VAT buildings" and in a City office market with many non-recovering occupiers, the difference between the two remains significant because even those who can recover their leases at some stage and their assignees may not be able to do so.

By the same token, landlords of non-VAT buildings are naturally less than keen to give binding undertakings not to opt to tax because of the effect on the value of their own interests. As one acquisition agent put it, "While developers might show good intentions, their parrot phase now is 'Oh, we won't charge you VAT. We intend to keep the building for a long time.' But most of them won't put that in the lease and then the first thing they do once you've taken the space is sell the building."

Nevertheless, in this hard current letting market, one or two have been prepared to indemnify tenants for non-recoverable VAT and others have let on the basis that if tax is charged at some time in the future, the rent for non-recoverers will be reduced by say eight per cent, thus effectively splitting the difference.

But as more buildings are put into VAT, the various degrees of tax recovery among tenants will remain and precise evaluation of the VAT effect - or the UBR effect for

that matter - will be difficult. As Mr Duncan Mason, associate director jointly in charge of Edward Erdman's City office agency department, puts it, "It is too early to make an assessment. A year from now, things might be clearer, but the facts are that everybody pays the UBR and, for most tenants, a VAT-free rent is a short term advantage which can disappear at any time."

Amounts involved in both UBR and VAT still have to be seen in the context of the tenant's overall costs. It is generally accepted that in the City accommodation accounts for less than 10 per cent of a tenant's outgoings.

The additional rates under the UBR and the levying of VAT on rents are thus not likely suddenly to add more than one per cent each to an occupier's outgoings, assuming even then that the occupier is unable to recover VAT and is a new occupier without the benefit of rate increase phasing.

According to Geoffrey Pente, a partner in Jones Lang Wootton's City office agency department, "That is unlikely to have much of a deterrent effect for occupiers deciding whether they will or will not occupy space in the City." Which is probably the bottom line. In these days of better electronic communication and failing transport infrastructure, there are a number of reasons why companies may leave the City and perhaps take a provincial option. But although the timing could have indeed been better, the combined - and to a great extent transitory - effects of the UBR and VAT are not particularly prominent among them.

John Worral

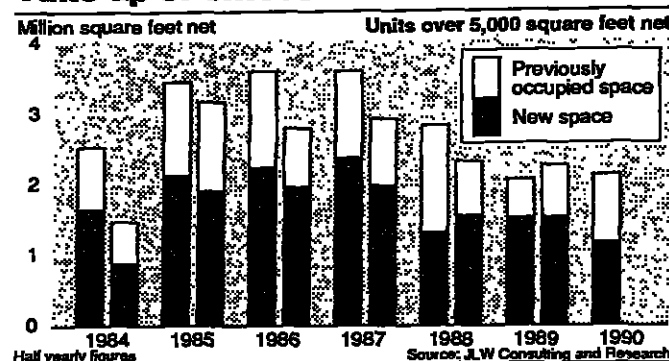


At the end of June 7.65m sq ft of speculative building was under construction of which some 5.74m sq ft is due for completion within the next 12 months

Rising vacancy rates and falling rental values are creating a bleak outlook

Surplus means a hard road ahead

Take-up of offices



DAY BY DAY, the predicament of City landlords and developers is becoming starker. The sheer quantity of rebuilding work is such that even a casual observer can deduce that supply greatly exceeds demand.

The figures are striking. At the end of June the vacancy rate was 9.4 per cent, and rising to 15 per cent by the first half of next year, according to Jones Lang Wootton. Debenham Tewson & Chinnocks calculates that availability is double the previous supply peak six years ago.

This surplus will increase before it lessens. At the end of June 7.65m sq ft of speculative building was under construction of which some 5.74m sq ft is due for completion within the next 12 months. The remainder is scheduled for

down in the development sector may exacerbate rather than alleviate the current supply surplus, according to Mr Peter Evans of Debenham Tewson. "On the supply side, postponed schemes are contributing to the increase in the flow of second-hand stock while demand is reduced because fewer tenants will be dispossessed," he reasons.

Meanwhile the demand side of the equation is holding up reasonably well. Take-up may be dwarfed by availability but it compares well with past figures. According to Jones Lang, take-up during the first six months of the year of 2m sq ft exceeds the long-term City average and a further 1m sq ft is under offer.

But even if there is no collapse of demand it is not clear that the surge in new demand over the past five years will continue. Mr Evans of Debenham Tewson believes that the outlook for demand is depressed by the projected fall in new employment growth. "In the early 1990s the emphasis is likely to be on the redistribution of occupiers rather than any sizeable net growth in demand."

Nonetheless, this redistribution of tenants is having a powerful effect on demand. The mergers of accountancy firms, for instance, is creating a need to replace the handful of poky offices spread around the City under one roof. Businesses appear to want a new type of office, with large, regular, column-free floors, high capacity electrical systems and large floor voids to accommodate cables. Solicitors and accountants are particularly prominent customers for new space. According to Jones Lang they are actively seeking 780,000 and 940,000 sq ft of space, respectively, comparable only to the demand of foreign banks which is 730,000 sq ft.

However several factors are frustrating this demand. One is economic uncertainty. Companies which are unsure about their future are putting relocation decisions on hold. "Take-up will decline marginally more for current economic reasons than anything else," says Mr David Comyn, a director of Savills City Business Group.

Furthermore, in a tenant's market, companies are unwilling to be hurried into making decisions. "Current demand is characterised by extremely slow decision-making, a perception of greatly increased supply and a softening of the market generally," says Mr Colin Hargreaves of Healey and Baker.

But the greatest hindrance

Economic uncertainty is frustrating demand

"In the current market six months rent-free for new buildings has become standard and we will see this increase to around 12 months before the end of the year," predicts Mr Alistair Shaw of Chestertons.

The use of such inducements is blurring the picture of rental movements, which on the face of it, have registered modest falls. According to Richard Ellis, the surveyors, its City all-building index fell by 3.4 per cent in the final quarter of 1989 and it has since fallen a further 1.6 per cent in the second quarter.

However, different levels of demand for different locations and specifications makes it hard to generalise about rents. Vacancy rates are, for example, much higher in eastern and northern parts of the City than in the core and south west.

Similarly, the value of new high-quality accommodation has been holding up fairly well. New space which has been built outside the City core is relatively inexpensive and so may remain in reasonable demand. Poorly located second hand space may by contrast find little support.

The full extent of the fall in rental values has yet to be seen. In the view of Mr John Adams of UBS Phillips & Drew, City rents will fall by 20 per cent in this calendar year. Many people in the industry would disagree with the scale of that predicted move, but few would disagree with its direction.

Vanessa Houlder

CLIFTON STREET EC2

15,620 SQ FT TO LET

THE QUADRANT

Modern self-contained building available as a whole or in part.

DRIVERS JONAS

071-248 9731

30 Watling Street, London EC4M 5YB

The surplus will increase before it lessens

completion in the second half of 1991.

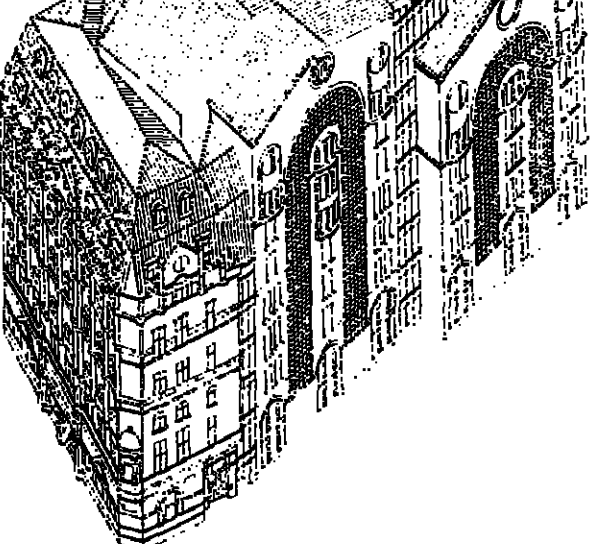
This evidence is having an effect on projects in the pipeline. Over the past few months more and more schemes have been put on ice. In the first half of 1990 construction starts numbered 1.55m sq ft, less than half the number of the preceding six months according to Jones Lang Wootton. Work on 78 per cent of developments due to start during the first half of 1990 has not begun, it believes.

The planning statistics for the second quarter of 1990 confirm this trend. Permission for new offices totalled 2.5m sq ft, less than half the average rate for the last three years.

Paradoxically though, the short-term impact of the slow-

CRIPPLEGATE

COLDEN LANE, BARRICAN, LONDON EC1



a prestigious new office building
110,000 sq. ft. to let

with underground car park
(Completing summer 1991)

Contact your agent

BEAUCHAMP ESTATES

071-245 9246

Baker Lorenz

071-409 2121

25 Mansour Square London W1R 6DO

Fax: 071-493 3812

LUDGATE HILL COURT EC4

This new development provides top quality offices off Ludgate Hill.

The office buildings comprising 5,000 and 6,000 square feet are available to let separately or as a whole.

An ideal opportunity to establish a corporate identity in a landscaped courtyard environment.

For further information please contact the joint sole agents.

ALLSOP

35 Wood St, London EC2V 7EP

071-606 5521

FAREBROTHER

78 Strand, London WC2R 0EX

Tel: 071 606 5521

21-26 GARLICK HILL EC4

Highly Flexible Prime Office Accommodation

1,000sq ft ~ 20,000sq ft

Immediately Available

Matthews & Goodman
071-248 3200
61 New Lane, Cripplegate, London EC2A 4ET

DONALDSONS
Chartered Surveyors
071-283 3939
72 King William Street, London EC4N 7DS

St Quintin
Chartered Surveyors
071-236 4040
71 Queen Victoria Street, London EC4A 3DF

A CAPITAL & COUNTIES OFFICE DEVELOPMENT

NEW OFFICE DEVELOPMENT TO LET OR FOR SALE 3,000-16,450 SQ. FT.

AIR CONDITIONING • RAISED FLOORING • ELEGANT RECEPTION HALL • CAR PARKING • AVAILABLE NOW

SCRUTTON STREET LONDON EC2

Collins Vellman
071-493 7373

Henry Davis City
2 London Wall Buildings, London WC2E 7LP
071 588 4433

CITY OF LONDON PROPERTY 3

SECTOR LEADER Land Securities has 25 per cent of its £5.6bn portfolio located in the City of London. However, in contrast to some of the gloomier and more reticent developers and investors, chairman Mr Peter Hunt is "perfectly happy" with that situation.

He has good reason for that positive stance. The majority of Land Securities' recently developed City space is let or spoken for, and much of the future development programme has been phased strategically to come on stream from 1992 onwards.

Of recent completions, the 31,000 sq ft Ling House in Dominion Street EC2, finished in September last year was let to Simmons and Simmons; 8 Salisbury Square EC4 (115,000 sq ft) was completed late last year and let to Peat Marwick; and the 77,000 sq ft House in Gresham Street, due for completion next year is pre-let to the Association of British Insurers.

Milton Court (160,000 sq ft), adjoining London & Metropolitan's Ropemaker Place in Chiswell Street, is widely reported as under offer to Price Waterhouse. In fact the only building that is coming up for completion in the current Land Securities City programme where there is no news of a letting is the 68,000 sq ft Moorgate Hall in Moorgate.

Mr Hunt is unworried. It is, he says, a top quality building. Growing rumours that Marks & Spencer is looking to take the 18,000 sq ft of ground floor retail space for one of its high-successful food-only stores can only add to its attractions.

Land Securities applies the same philosophy to the City as it does across the entire portfolio. Location, Mr Hunt believes, is still the most important factor in property allied to high quality, up-to-date and flexible buildings. Add to that top class covenants. "The best locations

PROFILE: LAND SECURITIES

Positive view of prospects



Peter Hunt: confident

and the best covenants provide protection in the current climate," he says.

He does not, however, consider that problems in the City are as bad as some would have us believe. In the early 1980s most City office space was not suitable for modern tenants because it could not accommodate new technology - and unit and floor sizes were too small. Between 1980 and 1987, says Mr Hunt citing both Jones Lang Wootton and Richard Ellis, some 16m sq ft in the City was "processed" - either redeveloped or refurbished.

That figure, according to Mr Hunt, represents only about 25

per cent of City office space. And, he adds, there is a lot more to go. Of the generally accepted estimate of 4m sq ft of secondary space now on the market Mr Hunt says that 50% of it is "horrible stuff" - it will never be let and should be "demolished and processed".

Of rental levels Mr Hunt says that over the past five years a "healthy pattern" has emerged. He remembers £18 a sq ft and dismisses talk of £70 a sq ft as "wild aspirations". One or two small suites might have gone for that, he says, but those top levels were never actually established. "True, a little bit of cream has come off the top - but if it has dropped a fiver, so what?"

As for the widely-predicted oversupply, Mr Hunt tends to agree with Weatherall Green & Smith and Jones Lang Wootton, both of whom have issued reports recently showing much new development is being put on ice and that by 1992 the City office market could be in balance.

Mr Hunt considers that the medium and longer term future for the City - as the financial capital of Europe - looks bright. The working population is set to increase and transport problems will be eased, he believes, by the upgrading of Network South-East, the new cross-London rail route from Paddington to Liverpool Street and the Channel Tunnel terminal.

All this will improve the City's accessibility and this is a key factor in deciding on location - particularly when

demographic trends mean that location will be increasingly dictated by workers.

He also points out that while top City rents are now in the £80s, space can be had in fairly close "fringe" areas such as City Road, at rents in the £30s. This compares with rents in areas such as Hammersmith, Uxbridge or Watford. At these rents "why move out?"

The next phase of Land Securities' City development programme is under way with 46,000 sq ft of offices at Veritas House, Finsbury Pavement, scheduled for completion in autumn next year and at 55-59 Gracechurch Street a new 73,000 sq ft building should be finished by the end of 1992. Also scheduled for the end of 1992 is a new 28,000 sq ft building at 12-16 Cough Square - the former home of LBC radio station. Further ahead is a refurbishment of London House, London Street and a major new office development of 120,000 sq ft at Regis House, King William Street.

These three properties are held freehold - the company's philosophy is to acquire freeholds and long leases wherever possible. Since March this year three City buildings have been sold. Chesterfield House in Fenchurch Street and Roman House in London Wall were both held on highly-gearled leases. Kempson House in Camomile Street was sold to adjoining owner Scottish Amicable.

Land Securities would seem to have its timing right. Its current programme will be completed by end 1992 - "election time". And future commitments are minimal, although there is plenty on which the button could be pressed at any time, depending on market conditions. There are also further possibilities within the existing portfolio which is constantly monitored for all opportunities to create added value.

Ann Steadman

New occupier priorities mean changes in the pattern of demand

The future lies beyond the confines of the Square Mile

NO CITY developer will want to face the fact, and few UK commercial agents openly concede it, but the City, in the traditional sense of the medieval Square Mile, has lost its status as London's central business district. On an international scale, the City alone would trail in as an also-ran against its continental European rivals. It is too small, too poorly serviced by transport, and too expensive to be any objective future rival to Paris, Frankfurt, or even Brussels or Milan.

Luckily for the City, it no longer has to enter the competition for major occupiers on its own. Forget the traditional square mile as Britain's entry into the euro-commercial space race, think instead of a "polycentric" London. While British surveying groups continue to talk of Central London in terms of the City, the West End and the linking strip through Holborn now commonly accorded a transatlantic-sounding "Mid-Town" tag, actual and prospective occupiers do not appear to be listening.

It is true that various, limited-sample agency surveys in recent months appear to have reinforced the theory that international financial groups really would like to be within walking distance of Lombard Street, and that the "right" postcode still affords a building a substantial premium value. But from Docklands to Southwark, from Victoria to Hammersmith, Paddington to Vauxhall office occupiers have been voting with their feet, or more commonly with the underground rail cards, for buildings that lie well beyond the fringe of the centralists' view of the capital's commercial heart.

Commercial agency teams who start the day with a brief chant of the 1980's to 1990's confidence-building mantra: "location, location, location!" have to consider the growing mass of evidence which suggests that "cost, convenience and accessibility" now more commonly reflect their occupier clients' needs.

The implications of this change for values in the old commercial heartland are depressing for existing landlords and unnerving for "prime" area developers with speculative space under way.

But there is a positive side to the progressive dilution of the City's monopoly on tenants' loyalty. In its refreshingly real-

istic overview of the London office market, "Breaking the Code", Salomon Brothers' real estate research team concludes that: "This new London has become competitive with the continent by providing modern office accommodation at lower costs."

"We believe," they write, "that London's increasing ability to provide such alternatives will reinforce its dominance as a global financial city."

That London offices might be able to compete in quality and cost terms with the rest of the world is almost as radical a view as discounting the City and the West End as the only serious focal points of commercial attention. Yet these are two facets of the same argument.

It would be hard to see that in any of the international prime accommodation comparisons in general circulation. These invariably place London well ahead of Paris - and overshadowed only by Tokyo - in terms of occupancy costs. However, by embracing what the locals still tend to think of as the fringes of the city as part of the "prime" options, the New Yorkers' overview provided by Salomon - and given street credibility by input from Chris Walls in its now far from

Cost and convenience now top clients' lists

fringe London Victoria offices - presents a very different, and far less daunting cost comparison.

While incoming or expanding space takers cannot base their costs on an average of a city's prime rental costs, at least they now do have the option of paying less than in Paris or New York for similar quality buildings. And that option has helped to create its own "averaging" effect on rents.

Salomon's comparative figures are based on top City rents of £80 a sq ft and top West End rents of £65. Since they forecast a vacancy rate of over 21 per cent in the City by the end of 1991, it is hardly surprising that the analysts sidestep the forecasts of £70-plus a sq foot for prime City rents - forecasts that were still being built into some of the more ambitious of the development calculations, and into a substantially larger

Total Occupancy Cost

	£ per sq ft
Tokyo	110.25
London	
City	88.75
West End	88.50
City Fringe	46.00
Docklands	35.00
Paris	
City	52.25
La Defense	36.25
New York	
Midtown	45.00
Downtown	35.00
Frankfurt	37.00

Source: Salomon Brothers & Richard Ellis

number of funding prospectuses, less than a year ago.

The financing equation for a number of the buildings being completed over the next year to 18 months may depend upon such forecast rents. The odds, however, are now heavily stacked against lettings at anything which approaches that level.

Salomon takes the view that City rents peaked around the time of the rush of major pre-lettings two to three years ago, when occupiers were willing to bid their way to the head of the queue for a completed City building. Now, they "do not expect prices for the City market as a whole to return to peak 1988 levels until later in the decade".

Debenham Tewson & Chinnocks takes a similar line. It estimates that achieved rents for new City space have fallen by around 11.5 per cent since last year. That is enough to have clipped several additional pounds per square foot off the City's cost rating for anyone preparing a global shopping list for space. And with the development cycle a wheel and several spokes ahead of lagging demand, the agents cannot see any reason why achieved rents should not continue to decline in the short-term.

All of which has its cheerful side in that the international price advantage of London offices, and the decreasing comparative price disadvantage of traditional prime City offices against their continental rivals, is becoming more marked just as international corporations are finalising their plans about where to locate their European headquarters.

Internationally mobile businesses are not so fickle as to move their administrative tasks for the sake of a few pounds either way on the rent bill. But the single-market

choice for most such companies is not whether to move to London, to Paris, or Frankfurt, or to take a long-view on Europe's commercial future and start checking out the space in Berlin.

The decision is more a matter of deciding which of their existing capital city offices shall be accorded EC-wide status, and which, by default, will progressively be downgraded to deal only with regional and local market activities.

In effect, and only with the most extreme reluctance, the UK property industry finds itself providing a few extra plus points in Central London's favour just as the global strategists at corporate HQs around the world are reaching for their maps of Europe.

London has the benefit of operating in a world language, with an unrivalled mass of financial and professional services, an effective telecommunications network, and it is internationally acceptable in social, cultural and entertainment terms. Now it can also offer an increasing choice of international-standard buildings at a competitive price.

That is a far cry from the take-it-or-leave basis that applied when all serious new development was compressed

London's choice of properties is growing wider

within the confines of the old dual-centre London, and when the City could fairly regard itself as the senior business partner to the rather more raffish West End.

That at least provides some counter-balance to the fact that, although London now has a suitable set of aerial gateways, once those internationally-mobile corporate executives get on the ground they find themselves immobilised by London's free market chaos of a traffic system.

As the City progressively is seen to be just one of a growing number of interlinked business areas in Central London, future space demand - from domestic occupiers as well as incomers - looks increasingly likely to be drawn towards the main transport hubs. It is no longer a matter of paying for a postcode. Tomorrow's prime locations have to be the ones you can get out of.

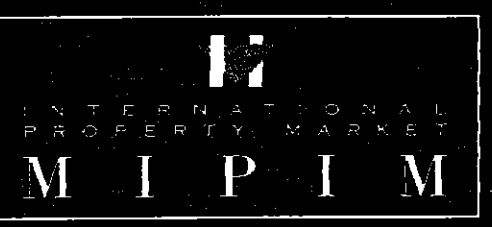
John Brennan

3 ANSWERS TO YOUR OFFICE DESIGN PROBLEMS

HOSKER MOORE & KENT
LONDON

DESIGN FOR QUALITY

11 CLERKENWELL GREEN, LONDON EC1R 0DN, ENGLAND. TELEPHONE: 071-490 7745

9-12 March 1991
Cannes France

MIPIM 91

THE 2ND INTERNATIONAL PROPERTY MARKET

Reserved exclusively for senior professionals.

Building upon the unequivocal success of MIPIM 90 (3,000 participants from 22 countries), we are proud to announce the 2nd International Marketplace for commercial property.

MIPIM is a multi-professional, developer-led Exhibition and Conference for Developers, Chartered Surveyors, Banks, Development Corporations, Lawyers, Architects & Accountants.

Aimed at only the senior industry professionals.

MIPIM is 4 days of intensive business to present your operations to other worldwide players, to make specific contacts with international space-users, institutional investors and overseas companies for potential joint ventures.

With the present limitations of the UK Market, it is essential to capitalise on the increasing opportunities of the single European market, to export your expertise and attract business & investment from new international sources including Europe, USA and the Far East.

MIPIM delivers these opportunities alongside a progressive programme of International seminars, workshops and lectures (with simultaneous translations) on key industry issues.

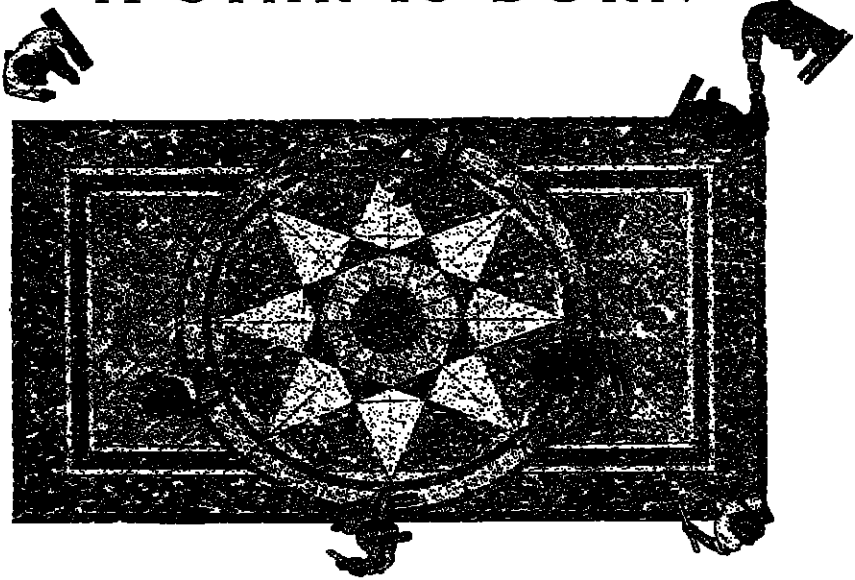
For more information call David Schindler today on 071-528 0086 and reserve your prime position in the expanding International Marketplace.

International Exhibition Organisation,
Metropolis House, 22 Perry Street, London W1P 9FF.
Telephone: 071-528 0086 Fax: 071-895 0949 Telex: 920173

Mipim - The International Property Market



A STAR IS BORN

FITZWILLIAM HOUSE, ST. MARY AXE.
LONDON EC3

LANBERT
SMITH
HAMPTON
071 623 8222

BAKER
HARRIS
SAUNDERS
071-7964000

CITY OF LONDON PROPERTY 4

UK property market sees local investors sit on the sidelines

Foreign buyers dominate

THE MARKET for UK property is in a fragile state. Investment this year has been decidedly patchy, as domestic institutions have sat on the sidelines, leaving the action to overseas companies and funds.

The first quarter opened with an exceptionally low level of purchases of just £217m. Business picked up in the second half but the total of £329m that was committed remained well below the 1989 quarterly average of £428m, according to Richard Ellis. The summer was decidedly quiet, with the Gulf crisis further undermining investment confidence.

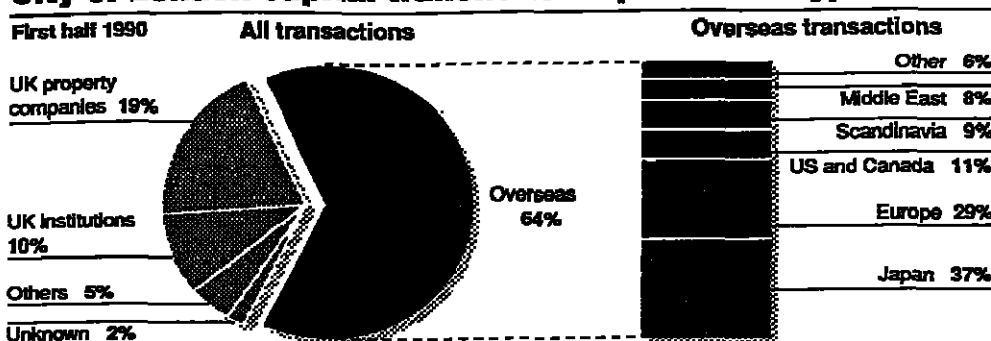
The paucity of action has given the investment market the air of a phoney war. The expectations of buyers and sellers do not match, meaning that relatively little quality property has come on to the market.

The market for different types of property has varied widely. Yields for a few prime properties have held up well while yields for lower grade properties have risen markedly.

However, the lack of investment activity has made it difficult to measure accurately the drop in capital values. Valuers have struggled to assess portfolios with little evidence. This — as well as the intrinsic difference in the make-up of portfolios — helps explain the contrast between the 17 per cent fall in the underlying value of Great Portland Estate's City of London office properties, announced in June and the drop of just under 2% per cent in the value of Land Securities' City office portfolio, announced just a fortnight earlier.

Once again, the overseas sector is making the running in the investment market, having contributed about two thirds of the total value of transactions in the first half of this year. Japanese life funds and construction companies and entre-

City of London capital transactions: purchaser type



preneurial property companies have continued to make investments, although their activity has been rivalled by investors from Continental Europe. There has also been a significant inflow of funds from Sweden, stimulated by the abolition of exchange controls.

Surveyors report that the yields of about 5 per cent persist for prime buildings as Japanese investors seek high quality offices in good locations.

Unlike Japanese investors, who tend to favour landmark buildings, the European and Scandinavian investors have concentrated on smaller, non-prime buildings where there is scope to add value by active management.

Sampo Insurance of Finland recently bought British Land's Seething Lane EC3 scheme for £23m. ABP, a Dutch pension fund recently joined forces with Ameritech of the US to buy 1 Aldgate, a building developed by Speyhawk for £46m.

The events in the Gulf, however, have raised some doubts about the continued enthusiasm of overseas investors. The squeeze on credit which it may generate, particularly in Japan, would force the banks and the financial institutions to curb their expansion plans and raise the cost of loans both domesti-

cally and overseas. However, the involvement of the life companies is likely to continue. In the view of Mr Alan Froggatt, a partner at Richard Ellis, they will continue to put money into the UK market for the next three or four years.

Much speculation has also been centred on the plans of the US pension funds. Increasing numbers of US pension funds and real estate advisers have set up shop in the UK in the hope of attracting funds wishing to escape the beleaguered US property market. However, the disappointing performance of JMB Realty, the Chicago-based private investment company which put funds into the top end of the UK market a year ago, may act as a deterrent.

Meanwhile, the UK institutions are still mounting something of a buyers' strike. Overall net disinvestment in last year in Central London totalled \$65.4m, according to the Investment Property Data-bank.

They have failed to re-emerge with a few rare exceptions: such as Scottish Amicable's purchase of Kemps House, Camomile Street, EC3 or Norwich Union's purchase of Creed Court, Ludgate Hill for £18m.

Despite yields being at their highest levels since the mid 1970s and likely, on most reckonings, to go even higher, institutions seem reluctant to get back into the market. News of falling asset values has been as further evidence of prices getting cheaper.

It may be that continued difficulties of property companies, perhaps emphasised by the approaching September interest quarter pay day, will force properties on to the market at lower prices. If so, bargain hunters and long term investors may make a showing. Meanwhile, the hopes of surveyors, developers and investors are still pinned on the continued interest of overseas investors in the London market. That London is the main European financial centre is likely to remain an attraction. So too, is the UK lease structure. And although the perception that the UK is politically stable with strong economic growth is one that has taken a knock over the past year, many investors are prepared to take a long term view.

Vanessa Houlder

THE NUMBER of tower cranes looming over a business centre has long been a favourite test of economic buoyancy. A glance across central London shows the flaws in such a snap judgement. The City is packed with buildings started before the downturn. Developers have little choice but to finish their task, each hoping to outshine rivals in attracting a diminishing number of potential tenants.

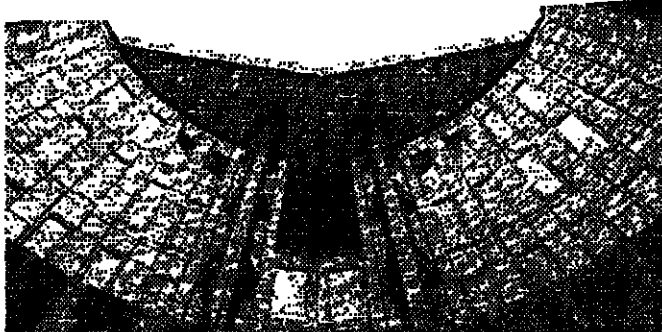
High-flying toilets and disappearing light switches feature strongly in their armoury of incentives, a slightly bizarre indication of how building technology is evolving to match soaring costs and increasingly stringent occupiers. Dangling from many a crane are prefabricated "bathroom" pods, built off-site to save labour charges and slotted into the framework like Lego.

Meanwhile, electricians below are linking computers to heat or movement sensors so these parsimonious robots can one day switch off lights when staff leave rooms.

This twin attack on building and occupation costs was born during the 1980s surge in demand for new office buildings, but has been given an extra edge by the rising tide of excess space. Fast-track construction once enabled developers to match the impatience of occupiers eager to expand. Today it reduces the time before they can pull in much-needed rents.

Occupiers learned to insist on higher standards to justify boom prices. They demanded more sophisticated building skills to cope with new technology, friendlier designs to attract skilled staff, healthier surroundings to keep them happy. Most importantly, companies came to expect an efficiency rarely seen in the speculative tower blocks they had been forced for decades.

Rents may have fallen, but expectations have not. If anything, tenants are becoming even more choosy. They want buildings that fit their needs



Whitetrans, owned and developed by Kumagai Gumi

David Lawson on technology

Tenants now demand more

much more closely, yet at the same time are flexible enough to adjust to unknown future changes.

Offices are so heavily dependent on information and communication networks that they require a totally new form of building specification. "Design Katsikakis of designers DEGW told a recent conference on high-tech buildings. "This is the most popular definition for that Holy Grail of the property industry, the "intelligent" building.

Yet she points out that a more crucial aspect of building intelligence is that it matches the occupier's particular needs and its working patterns and staff relationships, as well as the technology employed.

This leaves many developers floundering. They must produce more complex buildings for a potentially lower return, at least in the short term. The task is made even harder because pre-lets have almost disappeared as potential occupiers hold out for the best deals, which means there is no tenant to plan around.

Buildings are reverting to the bad old days, when they were taken through to completion rather than left as a bare shell for tenants to fit out, according to Mr Derek Hammond of Project Management International. Developers have moved some way towards more efficient construction, which should give them some financial leeway to widen the scope of their buildings.

Mr John Dudley of Arnold Project Services, part of the Japanese construction giant Kumagai Gumi which has 1m sq ft of space under way in the City, points out how prefabrication and "just-in-time" delivery techniques cut expensive construction schedules.

A hole was left through the middle of KG's Bishopsgate development to crane in toilet pods, for instance, while pairs of cladding panels were delivered and installed within 18 minutes at the Whitetrans scheme off Fleet Street.

"Britain is developing great expertise in this technique but it is difficult to get right," Mr Dudley says.

But developers can never match an occupier's needs perfectly unless the building is designed from the start for a specific company. Anticipating some tenants' needs would be prohibitively expensive. The International Stock Exchange, for instance, demanded one of the most complex data centres in the UK for its 150,000 sq ft headquarters on the northern fringes of the City. Any interruption of the computers would be disastrous, so the building is heavily protected with automatic standby systems in case of power breaks.

Llewellyn-Davies Weeks, the designers, provided an extra level of safety through a 25 per cent surplus capacity in the air-conditioning chillers and diesel generators which would kick in during an emergency to keep the screens alive. There are even spare banks of batteries to bridge the time lapse before stand-by systems come up to power.

This will all be familiar to most City financial houses, which live or die by the health of their computers. But it is well beyond the scope of a developer with no tenant in the bag. Mr Derek Hammond points to one tenant in Broadgate which spent £1m a week for 65 weeks tailoring its premises.

This is not to say developers have made no progress. But some have not gone far enough in matching buildings to the needs of users, according to Mr Jeff Morris of Coopers & Lybrand. He told the high-tech buildings conference that the downturn in demand would find out those who had been able to get away with a lack of market research before the downturn in the market.

At a time when the quantity of office space threatening to engulf the City, quality will be as important a factor as quantity.

"High-Tech Buildings 90. Proceedings of conference by Intelligent Building Group and Blenheim Online (081 868 4466).

PLANNING

Rising to the challenge

SIR CHRISTOPHER Wren, Reichsmarschall Hermann Goering and Peter Rees have one thing in common: in their different ways each has set out to reshape the City of London. Wren carved a townscape of space and stone through the timbered ashes of the medieval City. Goering came closer than he ever realised to breaking the Imperial City that had crammed its way into Wren's ageing new town. Mr Rees, as the Chief Planner of the Corporation of the City of London, has overseen a period of change as extensive as the immediate post-war reconstruction, and quite as fundamental as any of the City's historic responses to change.

The new-looking City that is emerging from behind scaffolding and banners is the concrete result of a choice made in the mid-1980s. That was to abandon, not merely the restrictive Draft City Plan published in November 1984, but with it a rigidity of control that made obsolescence evident in the name of conservation.

As long as conserving the Square Mile topped the planners' priorities, planning permission alone added value, however little the resultant building added to the quality of the City's office stock.

Financial deregulation of the London markets, with the resulting conglomeration of global financial services groups and of the professional firms in their wake, created an immediate and unsatisfied demand for modern, international standard, large-area buildings. That in turn forced the City Corporation to recognise how uncompetitive its long static and ageing supply of offices had become.

The extent to which it has risen to the challenge has been evident in the enveloping of so much of the central area by builders' awnings, and the transformation of the City borders into construction sites. In the past four years a net 16 million sq feet of new offices have been added to the City stock. That's roughly a 30 per cent increase in the mid-1980's total commercial floor area even before adding on half as much new space again for

buildings now under construction.

The market downturn will slow progress on the 11 million sq feet of additional space that has existing planning permission and on schemes equivalent to a further near eight million sq ft that are subject to planning applications.

But whatever view you take of the likely completion rate of space in the development pipeline, as far as the City's approach to planning is concerned the volume of new building makes certain that the late 1980s and early 1990s will be accorded special status in history of City development.

The formerly defensive City threw open its gates to change. The Corporation permitted Mr Rees and his planning team to attempt to change rather than ration developers' enthusiasm to build. Mr Rees is not displeased with the results.

An "un-planning" enthusiast, Mr Rees has always argued that the planners' role should be to look beyond formulae of what "ought" to be allowed. Instead, he has tried to manage a Corporation policy that, as he says, has aimed to "open the thing out, to allow a flexibility that had been lacking."

At the same time he has encouraged developers to raise their sights above the average. "There are some fine buildings, but in any case those are only a small proportion of the total. There always will be plenty of compromises. On balance, I believe that we have seen the level of mediocrity rise."

That well might sound like a caustic end of term report on a period of investment in new City buildings that represents the cost of a couple of Channel Tunnel projects compressed into half the construction time. But given the constant pressure in all development work towards the lowest common denominator of completed building, it understates the success of the planners' counter-pressure for quality. "It is no mean thing if the standard of ordinary buildings is improved," says Mr Rees.

What now most concerns City planners, as well as their counterparts in all the 32 Lon-

don boroughs, is the imbalance between development and infrastructure renewal across the capital. The top problem there is the transport has to be the number one priority," says Mr Rees.

The public utilities have been renewed their services; British Telecom and Mercury have been re-cabling, British Gas has replaced around half the supply in the City, the water board has been modernising the sewers and mains.

Against that the overall investment in transport has been minuscule. "The one thing that could scupper London as an international centre is its transport problems."

The polycentric London of the 1990's, with half a dozen business districts is a fact that concerns Mr Rees. "The concern is that multiple-centres compound the transport problems by having so many people travelling up, down and across town between home and work rather than the traditional hub-and-spoke flow of travellers to and from a single centre."

Mr Rees concurs with the view that the current and prospective over-supply of offices does not necessarily presage a London centre-versus-centre battle for tenants.

Instead, this fast rising "letting opportunity ratio" is more likely to draw occupiers from the 1960s and 1970s office centres of London's satellite towns and from centres along and beyond the M25 ring road. Achievable rents in these outer centres are insufficient to justify replacing properties that now are, by renewed Central London standards, obsolete. The City's more creative "unplanned" planning approach has saved it from that fate.

John Brennan



MANSSELL COURT

MANSSELL STREET E1

The best new office development within 5mins of Lloyds triangle....

...probably

7000sq ft - 42,000sq ft

air conditioned offices

full details from

Matthews

R&L

Goodman

071-248 3200

10 York Lane, Liverpool, London EC4A 3BB

Richard Ellis

Chartered Surveyors

15 Old Broad Street, London EC2M 1UP

071-256 6411



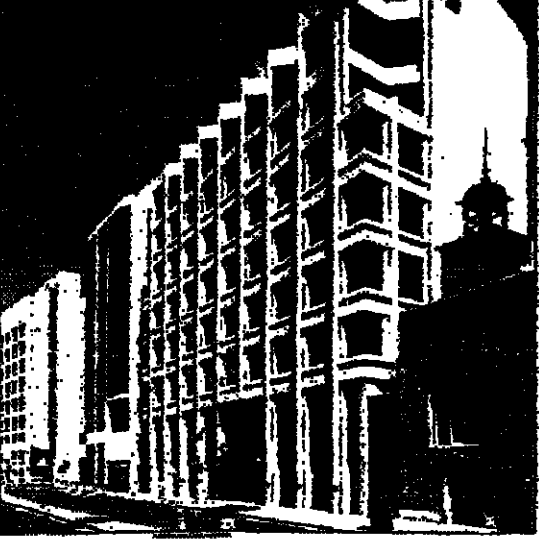
A CAPITAL & COUNTIES

OFFICE DEVELOPMENT



80 BISHOPSGATE

LONDON EC2



25,700 SQ. FT. - 38,400 SQ. FT. AIR-CONDITIONED OFFICE BUILDING

DE GROOT

COLLIS

071 929 4012

10 BISHOPSGATE LONDON EC2A 3BB

FAX: 071 630 2001

FINANCIAL TIMES

1990 RELATED SURVEYS

Property Review	February 9
Westend and Victoria	February 23
Property Management	April 6
London Docklands	May 25
Office Property	June 15
Property in Scotland	October
Property in Manchester	October
Investment and Finance	November

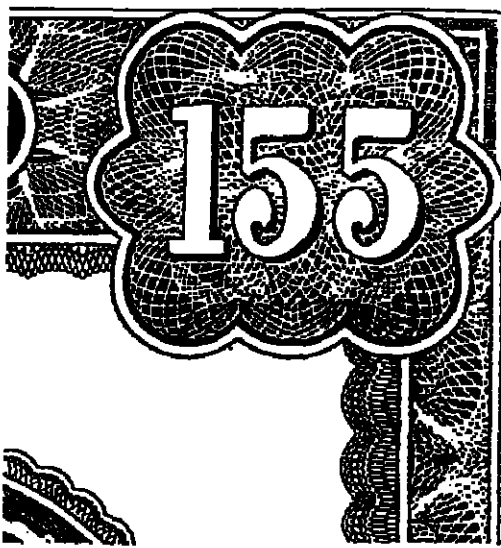
FOR ADVERTISING INFORMATION CONTACT TESSA TAYLOR

071-873-3211

FOR EDITORIAL INFORMATION CONTACT DAVID DODWELL

071-873-4090

THE INSTRUCTIONS OF
BANK OF SCOTLAND
APPROX 16,500 SQ FT
TO LET



BISHOPSGATE BROADGATE

DRIVERS JONAS

071-248 3731

20 BISHOPSGATE LONDON EC4A 3BB

Vessel

quick

A BOOST

recovery

North Sea

the annou

of a \$43m

a special

vessel. w

The ves

ordered b

Western P

Internatio

and relat

pany, from

yard owner

Corporatio

Well stin

nique to inc

speed of re

amount of

recovered.

its vessel w

increase re

two to three

yields by us

it involves

abrasive ag

sands, susp

a well to reh

Although the

well develop

that the size

allow more

than any oth

vessel now

North Sea.

The compa

that its ves

service in 19

rate significa

in pumping

computer co

and in abrad

Ed Will, W

donal's presi

well stimula

increasingly

more margin

fields are dev

Retailer:

will not

BRITAIN'S

weather can c

nesses millio

by catching th

wrong goods.

To help ove

from the UK a

Office and Da

ness Services

There, have

ware to help p

lowers will we

To use the

the retailer giv

years' stock as

drinks, say -

Office. This da

ness does an

relationship be

and weather is

The software

the PC is con

Office com

information on

faster weather

to update the c

and warn retail

how they nee

Supercor

stand the

JAPANESE elec

tween Hitachi

his week that i

and a new clat

tween to condu

higher tempo

new products

to a Router rep

superconduct

a very low tem

research work

TECHNOLOGY

Lynton McLain describes how mechatronics can lead to the efficient design of intelligent systems

Computer's brain takes the strain

Forget mechanics, forget electronics, forget information technology and think mechatronics.

The word describes a fresh approach to design. It is especially useful for the design of intelligent systems that make decisions for themselves, where electronics, computers and mechanical engineering have to be integrated for efficient design. Mechatronics embraces these disciplines so they are not separated by traditional boundaries in product development.

A European Community working party defined mechatronics as "the synergistic combination of precision mechanical engineering, electronic control and systems thinking in the design process."

The intelligent sawmill is a typical application of mechatronics. Mike Cowdery, engineering manager at Stenner of Tiverton, the designers and manufacturers of the system, claims that "mechatronics is the key to intelligent machinery."

Timber processors Clarke Taylor installed a Stenner computer-controlled log handling system at its Lockerbie works in Scotland in May. For the first time the entire mill can be worked without an experienced operator.

Productivity has improved, with one operator in a cabin replacing up to three that formerly operated the log mill. The logs are processed by the computer at a rate of 350 tonnes a week, three times as fast as under the old manual process. And, according to Christopher Nelson, mill manager, "The mill is much safer with nobody working in the yard."

The process is controlled by a computer measuring just one foot by four inches square, and by sensors dotted around the yard to ensure that only one log is processed at a time, debarked and cut automatically to the correct length.

Stenner also supplied an automated log yard and sawmill to a timber processor in the North of England. The sys-

tem can convert automatically 1,000 tonnes of logs a week into a range of sawn softwood components for making industrial pallets.

The company combined computer controlled sequencing operations with electronic measurement of logs. According to Cowdery: "Training to inculcate the necessary multi-disciplinary approach included welding skills for electricians and programmable logic controller programming for mechanical fitters."

Even the design process was automated, with programs written to lead the designer through a series of questions. Overall parameters for the intelligent sawmill were drawn up by the designer. A computer-aided design system generated the appropriate drawing. Detailed manufacturing drawings were generated, followed by the entry of material requirements into the production control computer.

Mechatronics originated in Japan, where it is used to design advanced electro-mechanical equipment. One of the best examples is the ultrasonic electric motor used for some auto-focus cameras.

David Bradley, joint deputy director of the new UK engineering design centre for mechatronic systems at Lancaster University, says the design of the ultrasonic motor made by Canon of Japan to surround and move a lens would have been impossible without mechatronics.

The ultrasonic motor comprises a ring of ceramic elements around the lens. The ele-

ments are vibrated electrically causing the ring to oscillate, rotate and focus the lens automatically in response to sensor information. Canon says: "The motor is moved by the energy of this vibration, like a float riding a wave."

A combination of mechatronic disciplines, leading to original ideas efficiently executed in a fully integrated design, enabled the ultrasonic motor lens to be developed with almost no more weight or bulk than an ordinary lens. Because it accelerates instantaneously, it achieves an automatic focus faster than a conventional auto-lens.

The Lancaster centre for mechatronic systems is being funded by the Science and Engineering Research Council. It is one of four new SERC centres specialising in new approaches to engineering design. The others are at Newcastle, the City of London and Cambridge.

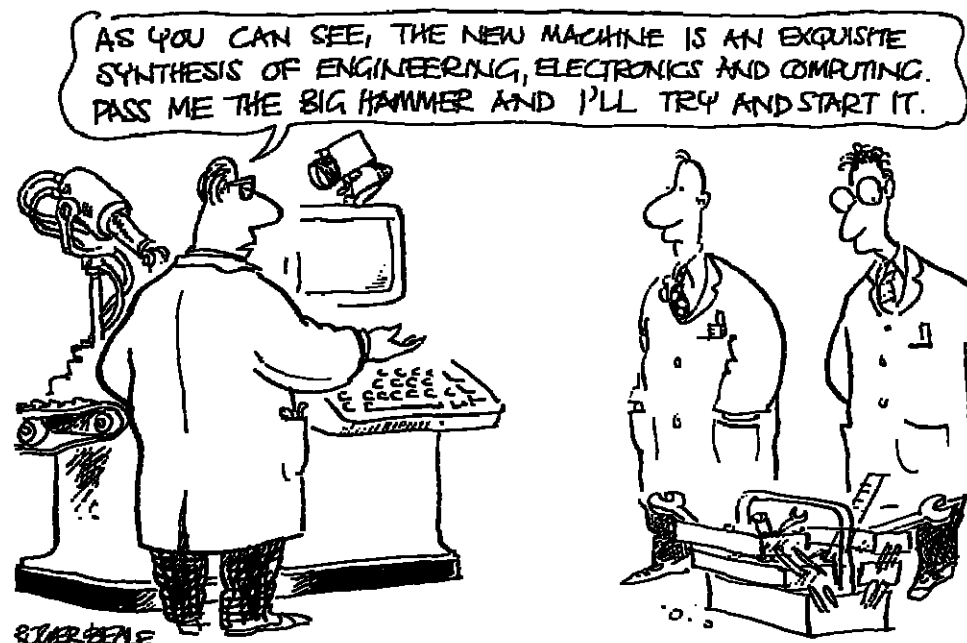
One of Lancaster's first tasks is to seek to replicate, using artificial intelligence, what

goes on in a designer's mind, so that different processes can be brought together automatically to produce prospective solutions for a designer.

David Dawson, the other deputy director of the design centre for mechatronic systems at Lancaster, says that traditional mechanical engineering "tends to plunge into some physical embodiment of an idea, then the controls are added on."

This separation of technological disciplines has little chance of producing the most efficient solution to a problem, because each discipline is not optimised in relation to the others.

He says that the teamwork necessary for the success of mechatronics could give a better chance for original ideas to bear fruit. "Interdisciplinary product teams can operate using a brainstorming approach at the very early stages of conceptual design, when the parameters are set. In contrast, intuitive processes are not so readily released



when people are working alone."

Western engineers and manufacturers are catching up with Japan, with a range of ideas for using mechatronics to apply intelligence to machines.

These include mechatronic mushroom harvesters, intelligent robot gripper hands, mechatronic fabric handling, the intelligent automated assembly of shoe parts and self-service banking.

British Steel has commissioned a feasibility study from Hull University which will look into the benefits of automating its steel testing facility

at Scunthorpe, Lincolnshire.

The present operation is highly labour intensive, with staff testing 3,000 samples of steel by hand each week. The system under consideration would automate specimen preparation and measurement, transfer automatically between machines, load and unload and issue certification.

Inventors in Switzerland, the UK, Sweden, Finland and the US have even used mechatronics to make intelligent robots play table tennis against each other in international contests. The ping-pong robots were made to illustrate computer-

ised sensor and high speed reaction systems, with robot arms accelerating at 25 times the force of gravity, much greater than the human hand could achieve.

Mike Preston, lecturer in engineering design at Loughborough University of Technology, says the mechatronics term was coined by the Japanese. "In Japanese industry mechatronics describes the practice of using fully integrated teams of product designers working with manufacturing, purchasing and marketing personnel to design the product and the manufacturing sys-

tem. It is evident that this philosophy is effective: the current ranges of Japanese cameras, computer peripherals and robots show the results," Preston says.

Jacob Buur, assistant professor at the Technical University of Denmark, says that because mechatronics displays characteristics differently from traditional machine design, they demand special methods and strategies. "Japanese companies seem to master these far better than their European counterparts. The power of Japanese mechatronics companies is a deliberate choice of competitive strategies based on fast moving markets for mechatronic products."

Mechatronic markets are driven by supply rather than demand, he says, and the very existence of a product itself may create the need among customers.

"Three circumstances seem responsible for the Japanese success in designing mechatronics: the education of engineers, the motivation of employees and the environment in the development laboratories; all three point towards interdisciplinary co-operation in product development."

Even the state of a person's desk can influence success or failure in interdisciplinary mechatronics. "There is simply no room for personal files at each desk in Japanese design companies," says Buur. "Instead, project teams often have a kind of public filing system. They share a common bookshelf."

Vessel makes a quick recovery

A BOOST to oil and gas recovery techniques in the North Sea is likely following the announcement this week of a \$43m (£22.8m) order for a specialised well stimulation vessel, writes David Thomas.

The vessel has been ordered by Houston-based Western Petroleum Services International, an oil recovery and related services company, from a Singapore shipyard owned by the Keppel Corporation.

Well stimulation is a technique to increase both the speed of recovery and the amount of reserves that are recovered. Western says that its vessel will be able to increase recovery rates by two to three times and boost yields by up to 30 per cent.

It involves pumping an abrasive agent, typically sand, suspended in a gel into a well to release reserves. Although the technology is well developed, Western says that the size of its ship will allow more rapid recovery than any other stimulation vessel now operating in the North Sea.

The company also claims that its vessel, due to enter service in 1992, will incorporate significant innovations in pumping technology, in computer control and analysis and in abrasive chemistry.

Ed Will, Western International's president, said that well stimulation will become increasingly important as more marginal North Sea fields are developed.

Retailers' shelves will not dry up

BRITAIN'S unpredictable weather can cost retail businesses millions of pounds by catching them with the wrong goods on the shelves.

To help overcome the problem the UK Meteorological Office and Datacube Business Services, of Sunbury-on-Thames, have developed software to help predict what customers will want to buy.

To use the weather service, the retailer gives recent years' stock sales - of cold drinks, say - to the Met Office. This data is matched with weather records for those dates and from that the relationship between sales and weather is calculated.

The software in the retailer's PC is connected to the Met Office computer so that information on current and future weather can be sent to update the computer data and warn retailers which items they need to stock.

Superconductors stand the heat

JAPANESE electronics manufacturer Hitachi announced this week that it has discovered a new class of superconductors which lose their resistance to conducting electricity at higher temperatures than their predecessors, according to a Reuters report.

Superconductors only work at very low temperatures, and research work on the new

WORTH WATCHING

by Della Bradshaw

materials is focused on finding one that works at near room temperature.

Hitachi's material is a compound oxide of vanadium, which loses all resistance at 130 Kelvin (minus 143 deg C). The previous record-holder was copper-thallium which worked at 122 Kelvin (minus 151 deg C).

Navigator steers program course

ERNST & Young has produced a software development methodology called Navigator, which steers software writers through from the first linking of a new application to its final implementation.

The methodology should help standardise the software-writing procedure as well as speeding up the time it takes to write applications.

Ernst & Young says that Navigator is the first methodology available which takes this cradle-to-grave approach. Included in the methodology is advice on using tools such as Case, but the tools themselves are not included as the developers want to keep the methodology flexible enough to incorporate new tools and techniques as they are developed.

Navigator is intended for companies employing 30 systems development staff and with a software budget in excess of £1m per year.

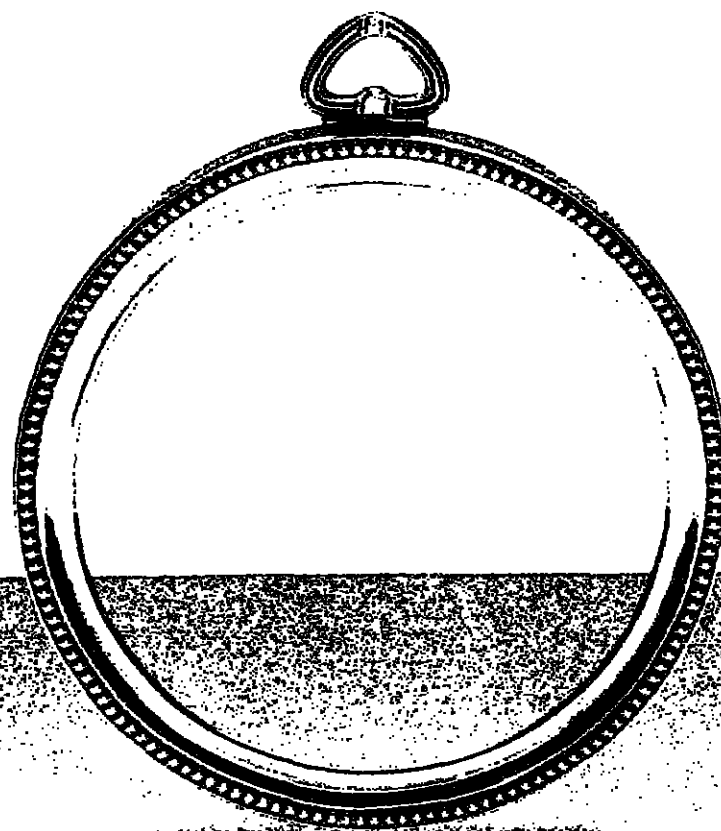
Counting up the sun's strength

AVID sunbathers will be glad to hear of a wristwatch-type device which calculates how long a person can stay in the sunshine before the rays become harmful.

The Sunwatch needs to be programmed by the user with skin type and the strength of sunscreen being used. A sensor, made from a fluorescent dye dissolved in a clear acrylic sheet, then measures the burning rays from the sun. This enables the device to calculate the length of time the person can stay in the sun.

Developed by Quayle Davison, of Cambridge, for Satek, of Hong Kong, the Sunwatch will be on sale next year.

Contacts: Western Petroleum Services US, 713 625 2600; Met Office, UK, 0344 850817; Hitachi Japan, 03 250 1111; Ernst & Young, UK, 071 928 2000; Quayle Davison, UK, 0223 421145; Satek, Hong Kong, 341 8211.



OUR FIRST BABY

Intel gave birth to the world's first microprocessor in 1971. It made the whole personal computer revolution possible.

And yet, to most people, Intel microprocessors bear a striking resemblance to the charming portrait above. They are invisible, working away inside the computer.

In fact, every IBM® and IBM Compatible PC ever made has been built around an Intel microprocessor. And what's more, the software for these PCs has always been written to be read by an Intel "brain".

So, whenever Intel bring out a new "brain" (like the state-of-the-art 32-bit 386™, 386™SX and 486™ microprocessors), it can handle all the old software, as well as the exciting new programs.

This compatibility will, of course extend to all the software programs developed in future.

So, to guarantee compatibility in your systems, when you look for a new PC, look for the Intel microprocessor inside.

Finding it is not so simple.

IBM is a trademark of International Business Machines Corporation. 386™, 386™SX and 486™ are trademarks of Intel Corporation.

ARTS

Arts Week

F | Sa | Su | M | Tu | W | Th
21 | 22 | 23 | 24 | 25 | 26 | 27

EXHIBITIONS

London

Royal Academy of Arts. Monet in the 1890s: The Series Paintings. The long-awaited blockbuster exhibition has opened in London sending reviewers hurrying to explain the artist's double vision. Burlington House, Piccadilly (287 9679).

Paris

Carte musée et monuments sold in museums and metro stations enable visitors to avoid queues at 60 museums and monuments, including the Louvre, Musée d'Orsay and Versailles. Marmottan's Musée. For lovers of impressionism, the Musée Marmottan is a must. A charming town house set in greenery, it houses an important collection of paintings and drawings by Claude Monet and his friends. Monet's love of London is represented by the Houses of Parliament. Musée Marmottan, 2 rue Louis-Bouilly, closed Mon.

Louvre. Euphronios. Some 60 objects, craters, amphorae and bowls testify to the art of Euphronios, painter and potter in the 5th century BC in Athens, in mastering the technique of red figures on black background. Open all days from 12 am to 10 pm, except Tuesdays. Ends Dec 31 (4026156).

Galerie du Carroussel. 19th century French masters. There are some remarkable small bronzes by Degas and Daumier, there are two or three oils, but the speciality of this small left-bank gallery remain drawings by the Ecole de Barbizon. 11, quai Voltaire (42611076). Closed Sun and Mon.

Grand Palais. Picasso. A portrait of Jacqueline Picasso with her hands crossed round her knees is the symbol and the central point of an exhibition of 47 paintings, two sculptures, 40 ceramics and 247 engravings and lithographs which have come to enrich, in lieu of death duties, the French national collections. Closed Tue, Wed late closing, ends January 14.

Musée d'Orsay. The spectacular museum of the 19th century is situated opposite the Tuileries gardens within the metallic structure and the glass-roofed vault of the vast Gare d'Orsay railway station. It houses paintings, sculptures, objets d'art and photographs from the end of the

romantic period to the beginnings of modern art and the Impressionist and post-Impressionist collections formerly in the Jeu de Paume. Here they are counterbalanced by academic painters, their contemporaries, long derided for their pomposity. 1 rue Bellechasse (45494614). Closed Monday.

Picasso Museum. The restored 17th century Hotel Sale, provides a fitting home for the world's largest collection of Picasso's work. It comprises 833 paintings, 188 sculptures and more than 3,000 drawings and engravings, 16 collages and 86 pieces of ceramics. It is completed by Picasso's own collection of paintings by his friends, such as Braque and Matisse, or by artists he admired, Renoir, Cézanne and Dufour Rousseau. (42712421).

Musée de Cluny. Medieval Art in Paris. The Abbots of Cluny built their magnificent late Gothic town house in the heart of the Latin Quarter on the ruins of Roman baths. Now a museum, it houses medieval works of art - goldsmiths' work, carved altar pieces, ivories, fabrics, with two English royal standards embroidered in gold on red velvet. In a rotunda of its own is a set of the Lady and the Unicorn mille fleurs tapestries - an allegory of the five senses - one of the masterpieces of medieval art. Place Paul-Painlevé, (4226200). Closed Tue and lunchtimes.

Musée Rodin. Delightful 18th century town house - Hotel Biron - contains the life work of Auguste Rodin, who opened the way for modern sculpture. In the gardens his Thinker broods, the Burghers of Calais trudge to their tragic destiny and Balzac defies time. Closed Tue.

Martigny

Fondation Pierre Gianadda. Modigliani. Some 50 oils, as many drawings and some sculptures form an important retrospective of the Italian-born artist living at the beginning of the century in the feverish atmosphere of Montmartre and Montparnasse. In contrast, the rather stylised two-dimensional portraits of his friends and of Jeanne Hébuterne, his last and tragic companion, embody perfect repose. (26 223978).

Brussels

Palais des Beaux-Arts. 5 million years: The Human Adventure. Man's evolution seen through 200 Paleolithic exhibits. Daily ends Dec 30.

Musée d'Art Moderne, Place Royale. The Goldschmidt Collection of Modern paintings recently left to the museum is on view in its entirety for the first time. Works by Braque, Chagall, Hockney, Klee, Miro and others. Closed Monday, ends December 16.

Musées Royaux d'Art et d'Histoire. Inca-Peru an exhibition that traces the evolution and decline of the Inca culture through 450 artefacts. Closed Monday, ends December 31.

Hilton Hotel. Paintings by Lucian Favarotti. Daily ends 23 September (02-513 88 77).

Palais des Beaux-Arts. 5 million years: The human adventure. Man's evolution shown through 200 archaeological artefacts and other exhibits. Daily, ends December 30.

Barcelona

2nd Barcelona International art forum. Fundación Miro. Joseph Bony. Some 180 drawings on the theme of artistic philosophy in an interchange with the Kettner Gesellschaft in Hannover. Closed Mondays. Ends 18 November.

Turin

Castello di Rivoli. A retrospective of minimalist artist Mario Merz. The works are not, however, in any particular order: a glass with a neon light running through it, dating from 1967, sits on a recently made table. The artist has made witty use of the frescoes and stucco designs in this ex-royal palace of the Savoia family, now restored and transformed into a museum of modern art (ends September 29).

Florence

Palazzo Vecchio. The age of Masaccio: tying in with the reopening of the Brancacci chapel, the Church of the Carmine after a six-year restoration on the cycle of frescoes by Masaccio and Masolino, are 109 works by painters and sculptors who worked in Florence in the golden years between 1401 (the date of Masaccio's birth) and 1460.

Venice. Palazzo Gritti. From Van Gogh to Picasso - from Kandinsky to Pollock. Opening with Picasso's 1931 Woman with Yellow Hair and closing with Fernand Léger's 1950 Builders with Rope, this exhibition provides a truly delightful centre through modern art from the late 1970s onwards. Included in the group of paintings lent by the Guggenheim to New York are 32 works from the remarkable Thannhauser collection, none of which have been back to Europe since they were bequeathed to the museum in 1940. Justin Thannhauser's group includes some fine Cézannes, two famous early Picassos: Le Moulin de la Galette and the Fourteenth of July, and excellent examples of almost every other artist of note (mainly French) you can think of. A large group of works, come from the Peggy Guggenheim collection at the Palazzo Venier in Venice. Particularly prominent are the surrealists, her particular interest, among which is Max Ernst's fascinating The Antelope. Much of the pleasure of the exhibition comes from its sensitive layout by the architect, Gae Aulenti.

Berlin

Martin-Gropius-Bau. Stresemannstrasse 110. Bismarck's Prussia, Germany and Europe. This exhibition in Berlin will be the first organised by the German History Museum, with around 1,000 pieces on loan from 250 different museums from all over Europe and the US. Otto

Ends December 9.

Düsseldorf. Kunstmuseum, Ehrenhof 5. Conrad Felixmüller. Around 80 paintings, 80 watercolours, drawings, 40 prints as well as five plastics by the expressionist painter are on display until October 28.

Frankfurt

Jüdisches Museum. Untermain-hai 14/15. Expressionism and Exile from the most important private collection of Ludwig and Rosey Fisher. 117 paintings are exhibited. Among the artists are Kirchner, Heckel, Nolde and Mueller. Until October 10.

Hannover

Spiegel Museum. Kaethe Koll-itz (1867-1945). Eleven plastics and 70 prints of the politically radical artist are to be seen until October 28.

Essen

Museum Folkwang. Vincent Van Gogh and Modern Art. On the 100th anniversary of Van Gogh's death, this exhibition aims to display his influence on European modern art. With 50 of his own paintings and 130 by other artists it shows his impact on art in the period 1880-1914. Among the other artists are Matisse, Derain, de Vlaminck, Picasso, Kirchner, all influenced by Van Gogh. The exhibition moves to Amsterdam in Nov. Ends Nov 4. Goethestrasse 41-690, Essen 1.

Villa Hugel. 15, St Petersburg around 1800. With 555 pieces on loan from Leningrad's state Hermitage Museum, the exhibition details the developments of Russia from a great empire to a European power. St Petersburg was the residence of Peter the Great and acted as an intermediary between east and west. The exhibition covers the period from the 18th to the 19th century of Tsars Paul I (1796-1801) and Alexander I (1801-1825) in its role as the political, intellectual and economic centre of Russia. This unique show gives a clear, varied view of the historical importance of the period of the Russian empire, with paintings, furniture, sculptures, costumes and porcelain.

Tokyo

Hara Museum. Hara Annual 10. Since its establishment 10 years ago, this museum has held an annual show of young and emerging Japanese artists - a good opportunity to observe new developments and directions in Japanese art. Opens September 26.

Tokyo Museum. Issey Miyake: Pleats Please. Costumes and art objects by Japan's top fashion designer. The pleated costumes that look like space suits and feature geometric designs are based on his 1989 Paris collection.

Bunkamura.

The Museum. Dante and Bunkamura. For some reason, the pre-Raphaelites appeal to the Japanese sensibility, so this exhibition of some 120 paintings and drawings is likely to prove popular.

Satagaya Museum. British Art Now. 15 artists are represented, including David Hockney who came especially to Japan to install a three-dimensional seascape made from 30 tons of old magazines. Closed Mondays.

von Bismarck, born 175 years ago in Schoenhausen, was the German Imperial Chancellor and Prussia's premier before he was sacked by the young Kaiser Wilhelm II 100 years ago. The current political changes in Europe, particularly in East Germany, underline the importance of this exhibition, which also attempts to explain what happened after the revolution of 1848. Bismarck was at the centre of several conflicts in relation to industrialisation, social questions and the impetus towards forming nation-states in Europe. An accompanying programme includes literature, music performances, films and video. Until November 25.

New York

Brooklyn Museum. From pastoral landscapes to moonstruck mature fantasies, this comprehensive exhibit makes the claim for Albert Pinkham Ryder as the first modern American painter. Ends Jan 6.

Washington

National Gallery. Artistic divi- dence of the end of the cold war continue with a comprehensive show of Suprematist Kasimir Malevich and his Soviet contemporaries with works never before shown by the Soviet Union. Ends Nov 4.

Chicago

Chicago Historical Society. A House Divided. America in the Age of Lincoln. Documents, memoranda and personal effects of the Great Emancipator, Abraham Lincoln, are on display at the Art Institute. The Russian Taste for French Painting is a tribute to the cultural impact of improved Soviet-American relations with its French masterpieces borrowed from the Hermitage and Pushkin Museums. Works from Fossin to Matisse include Monet, Renoir, Cézanne and Gauguin.

Zurich

Collegium Museum. Conducted by Paul Sacher. Martin, Dutilleul, Honnegger (Mon). Théâtre des Champs Elysées (4738857).

Salle Gaveau

Salle Gaveau. (48330507). Michael Ponti, piano. Chopin, Tchaikovsky (Wed). Salle Gaveau (48330507).

Orchestre de Paris

Orchestre de Paris. Conducted by Semyon Bychkov, Orchestre de Paris choir conducted by Arthur Oldham. Mozart, Beethoven (Wed, Thur). Salle Pleyel (4538873).

Orchestre National de France

Orchestre National de France. Conducted by Manuel Rosenthal. Anne Quélécier, piano. Debussy (Thur). Théâtre des Champs Elysées (4738873).

Marilyn Lipovsek

Marilyn Lipovsek (mezzo) accompanied by Gérard Wres. Von Elmen, Brahms, Mussorgsky (Tue). Concertgebouw (781 345).

Utrecht

Rotterdam Philharmonic. With Frank Peter Zimmermann (violin), James Conlon conducting. Strauss, Mozart (Thur). Vredenburg (31 45 44).

Brussels

The Festival of Flanders. has evolved over the past decade into a major European musical festival. It will continue through the autumn with concerts and opera in auditoria, museums and chateaux across Belgium.

MUSIC

London

Glenn Miller Orchestra. An evening of popular Glenn Miller hits (Sat). Royal Festival Hall (929 8800).

The Philharmonia

The Philharmonia. Conducted by Giuseppe Sinopoli with Jorge Bolet (piano), plays Liszt and Mahler (Sun). Royal Festival Hall (929 8800).

Quorum

Quorum. Julia Munn (clarinet), Martin Pring (violin), Hugh McDowell (cello), Andy Spicely (piano) with Martin Harvey (trombone) (Mon). Purcell Room (929 8800).

The London Classical Players

The London Classical Players. Conducted by Roger Norrington with Mervyn Tan (fortepiano), plays Brahms and Mozart (Tue). Queen Elizabeth Hall (228 8800).

Royal Philharmonic Orchestra

Royal Philharmonic Orchestra. Conducted by Mark Elder with Elizabeth Connell (soprano), Linda Fimmi (mezzo-soprano), Edmund Barham (tenor), Willard White (bass) plays Verdi's Requiem (Wed). Royal Festival Hall (929 8800).

Sir Michael Tippett

Sir Michael Tippett. 88th Birthday Concert with The London Bach Orchestra. Conducted by John Lubbock with Teresa Cahill (soprano), Corvelli, Tippett and Mozart (Thur). Barbican Hall (528 5881).

Paris

Zurich's Collegium Musicum. Conducted by Paul Sacher. Martin, Dutilleul, Honnegger (Mon). Théâtre des Champs Elysées (4738857).

Salle Gaveau

Salle Gaveau. (48330507). Michael Ponti, piano. Chopin, Tchaikovsky (Wed). Salle Gaveau (48330507).

Orchestre de Paris

Orchestre de Paris. Conducted by Semyon Bychkov, Orchestre de Paris choir conducted by Arthur Oldham. Mozart, Beethoven (Wed, Thur). Salle Pleyel (4538873).

Orchestre National de France

Orchestre National de France. Conducted by Manuel Rosenthal. Anne Quélécier, piano. Debussy (Thur). Théâtre des Champs Elysées (4738873).

Marilyn Lipovsek

Marilyn Lipovsek (mezzo) accompanied by Gérard Wres. Von Elmen, Brahms, Mussorgsky (Tue). Concertgebouw (781 345).

Utrecht

Rotterdam Philharmonic. With Frank Peter Zimmermann (violin), James Conlon conducting. Strauss, Mozart (Thur). Vredenburg (31 45 44).

Brussels

The Festival of Flanders. has evolved over the past decade into a major European musical festival. It will continue through the autumn with concerts and opera in auditoria, museums and chateaux across Belgium.

BRT Philharmonic Orchestra

BRT Philharmonic Orchestra. Conducted by Alexander Rahbari with Don-Suk Kang in a programme of Debussy, Nielsen and Ravel (Fri). Palais des Beaux-Arts.

Gothenburg Symphony Orchestra

Gothenburg Symphony Orchestra. and the Danla Sonans choir conducted by Neeme Jarvi with soloists perform Sibelius and Mozart (Sun). Palais des Beaux-Arts.

Antwerp

Festival of Flanders. Alban Berg Quartet play Bartok and Mozart (Sat). De Singel.

Luciano Pavarotti

Luciano Pavarotti (tenor) with The Flanders Philharmonic Orchestra conducted by Leone Magiera. Andrea Grimaldi (bass) (Sat). Sportpaleis (091-25 77 80).

Gent

Camera Académica Subburg. Conducted by Sander Vegh in a programme of Mozart (Sat). Festivalhal Biloke-abdij (091-25 77 80).

Julliard String Quartet

Julliard String Quartet. perform Hindemith, Mozart and Ravel (Tue). Festivalhal Biloke-abdij (091-25 77 80).

Berlin

Dietrich Fischer-Dieskau. Lieder recital, accompanied by Hartmut Elt in songs by Hugo Wolf (Tue). Opera House.

Frankfurt

Frankfurt Opera and Museum. Orchestra conducted by Garcia Navarro with Marcela Hoispel (soprano) and Alicia de Larrocha (piano) play works by Hindemith, Mozart and Falla (Sun, Mon). Alte Oper.

Frankfurt Radio Orchestra

Frankfurt Radio Orchestra. under Erich Leinsdorf with Strauss, Brahms and Stravinsky (Thur). Alte Oper.

Milan

Uto Ughi (violin) in a concert of Brahms and Richard Strauss conducted by Christian Thielemann (Fri). Teatro Alla Scala (80.51.36).

New York

New York Philharmonic. conducted by Zubin Mehta with "Korona" Gulev (soprano) and the Westminster Symphonic Choir directed by Joseph Funderburk. Mahler (Tue). Zubin Mehta conducting with Ragny Kassin (piano). Strauss, Stravinsky, Chopin (Tue). Marvis Martin (soprano). Barber, Strauss (Thur). Avery Fisher Hall, Lincoln Center (874 6770).

Tokyo

Academy of St Martin-in-the-Fields. conducted by Sir Neville Marriner. Schubert, Mozart, Beethoven (Mon). Mendelssohn, Mozart, Beethoven (Wed). Suntory Hall (289 5029).

I Solisti Veneti

I Solisti Veneti with Stanislav Burdin (piano), Vivaldi, Rossini. Mozart. Suntory Hall (Tues) (408 8011).

Amsterdam

The Netherlands Opera. with its acclaimed new production of Richard Wagner's Parsifal directed by Klaus Michael Grüber. Netherlands Philharmonic is conducted by Harman Haenschel, with Barry McCauley in the title role. Muntztheater. Continued on Page 21.

OPERA AND BALLET

London

Royal Opera, Covent Garden. The opening production of the season is Turandot, in a production by Andrei Serban that counts as one of the company's most colourful and imaginative efforts of the last decade. Ghena Dimitrova, Vladimir Popov, Lucia Mazzaria and Robert Lloyd take leading roles, and Colin Davis is the masterly conductor. English National Opera. Co-Season. Highlight of the whole London operatic week is the city's first showing of Greek, an opera by the young English composer Mark-Anthony Turnage based on the Seven Sorrows play which caused a sensation on its previous appearance in 1985 at Edinburgh. The cast of Turnage - Helen Charnock, Fiona Kimm, Quentin Hayes, Richard Hunt - is conducted by Richard Baines. More performances of the recent, boldly Expressionist new production of Wozzeck, conducted by Mark Elder, staged by David Pountney, with Donald Maxwell in the title role, and a Tucson production - a good idea not very successfully realised.

Paris

Théâtre de la Ville. Jan Fabre is followed by Merve Cunningham and the Merve Cunningham Dance Company with Incantations, Fabrications and Field and Figures in which continues, now aged 70, with his revolutionary work. The production of contemporary ballet (4224277). Chatelet. The new production of the dramatic legend La Dame aux Camélias is performed by the Philharmonia Orchestra, with John Eliot Gardiner as conductor and by the Théâtre du Châtelet choir conducted by Donald Palumbo (4028840).

Brussels

Théâtre Royal de la Monnaie. The Monnaie opera in Verdi's Simon Boccanegra, staged by Gino Petto, sets by Carlo Tommasi. The Monnaie Symphony conducted by Sylvain Cambiagio. Joes Van Dam (bass) as Simon. Nancy Cunniffon (soprano) as Amelia and David Pittenger as Fiesco (Sun, Tues). Part of the Festival of Flanders. Salla Saint-Hubert. Anna Tedesco. Strauss in Mozart's Don Giovanni conducted by Philippe Mercier, staged by Rommy Lauwers with Jo Beert, Ross Brazilio, Francis Bresson, Anne Tedesco and Victor van Mechelen (Thur) (010-47 48 76).

Amsterdam

The Netherlands Opera. with its acclaimed new production of Richard Wagner's Parsifal directed by Klaus Michael Grüber. Netherlands Philharmonic is conducted by Harman Haenschel, with Barry McCauley in the title role. Muntztheater. Continued on Page 21.



THE FUTURE IS NOT WHAT IT USED TO BE.



Funny, isn't it, how views of the future change so rapidly. Just ask any visionary you happen to meet. Today, scores of people are trumpeting the virtues of networking. We at Novell defined the industry. Since then, we have become synonymous with Network Computing.

puting, and our software products are now in their eighth generation. You see, we're not in the prediction business. We're in the reality business. We don't look at the world through a crystal ball. We look at it through the eyes of our customers. Which is why, if you have an eye on the future, you'd do well to consider the people who made it possible.

NOVELL

The Past, Present, and Future of Network Computing.

Notice to the Holders of Warrants to subscribe for shares of common stock of NANKAI ELECTRIC RAILWAY CO., LTD.

issued in conjunction with
U.S. \$100,000,000
5 percent. Guaranteed Bonds 1993
U.S. \$100,000,000
3 1/2 percent. Guaranteed Bonds 1992
U.S. \$140,000,000
4 1/4 percent. Guaranteed Bonds 1993

Pursuant to Clauses 3 and 4 of the Instruments dated 23rd February, 1988, 27th July, 1988 and 18th May, 1989 with respect to the above-mentioned Warrants constituted by the above instruments (hereinafter referred to as "Warrants A", "Warrants B" and "Warrants C", respectively), notice is hereby given that:-

(1) Nankai Electric Railway Co., Ltd. (the "Company") has authorized the issuance to the holders of shares of common stock of the Company (the "Shares") appearing on the register of shareholders of the Company on 30th September, 1990 (Tokyo time) (the "Record Date") of rights to subscribe for 15 (fifteen) million new Shares per each 100 (one hundred) Shares owned at Yen 720 per Share, being less than Yen 1,431, the current market price per Share on the record date, which is the average of the daily closing prices of the Shares on the Osaka Securities Exchange for the 30 consecutive trading days commencing 45 trading days before such date as provided in and subject to the said Instruments. The subscription period for new Shares is from 9th November, 1990 to 19th November, 1990 (both inclusive) and the deposit for subscription, the amount of which is the same as subscription money, is required for such purpose. The issue date of such Shares is 1st December, 1990.

(2) The Company will also issue Shares by way of free distribution to the shareholders appearing on the register of shareholders of the Company on 30th September, 1990 (Tokyo time) at the rate of 5 (five) new Shares for each 100 (one hundred) Shares held. (3) As a result of such rights issue and free distribution, the subscription price per Share in relation to Warrants A, B and C shall be adjusted pursuant to the Instruments and the Conditions of Warrants A, B and C as follows:-

Subscription Price before adjustment
Subscription Price as adjusted
Effective Date

Warrants A
Yen 1,283.3
Yen 1,132.2
1st October, 1990

Warrants B
Yen 1,347.6
Yen 1,207.8
1st October, 1990

Warrants C
Yen 1,538.0
Yen 1,378.4
1st October, 1990

Dated: 21st September, 1990

NANKAI ELECTRIC RAILWAY CO., LTD.

MBE Finance N.V.

US\$ 37,000,000

Guaranteed Dual Basis Bonds due 2000

(Issued in two series)

Unconditionally and irrevocably guaranteed by Mitsubishi Bank (Europe) S.A.

In accordance with the Terms and Conditions of the Bonds, notice is hereby given that for the initial Interest Period from September 17, 1990 to March 15, 1991, the Series A Bonds (of which a nominal amount of US\$ 22,000,000 has been issued) will carry an Interest Rate of 8.825 % per annum and the Series B Bonds (of which a nominal amount of US\$ 15,000,000 has been issued) will carry an Interest Rate of 8.725 % per annum.

The interest payable on the relevant Interest Payment Date, March 15, 1991 will be US\$ 438.80 per US\$ 10,000 principal amount of Series A Bonds and US\$ 433.83 per US\$ 10,000 principal amount of Series B Bonds.

The Agent Bank

KREDIETBANK

S.A. LUXEMBOURG

TRANSCAPITAL B.V.

Senior Participating Notes due 1995 (the "Senior Notes")

Junior Participating Notes due 1995 (the "Junior Notes")

issued on a fiduciary basis by Banque Internationale à Luxembourg S.A. representing beneficial interests in loans made by it to TRANSCAPITAL B.V.

We, Banque Internationale à Luxembourg S.A. (BIL), have received a certificate wherein, under Section 3 of the Senior Loan Agreements dated October 10, 1986 between BIL and TransCapital B.V., TransCapital B.V. attests that the amount of interest payable on the Senior and Junior Notes with respect

ARTS



Keith Baxter and Joan Collins

Private Lives

ALDWYCH THEATRE

It must be a while since there was a first night in London like this: crowds, crushes, photographers, stars all over the place, applause for the sets, applause for the characters as they appear and Joan Collins playing Amanda in Noel Coward's *Private Lives*.

There was a slight apprehension on my part that it might not work. Forget it. It is not just that Ms Collins speaks the lines as well as anyone else might do. She also acts: face, hips, fingertips and toes. This *Private Lives* is worth seeing for her alone - hence Wednesday night's excitement, but there is more to it than that. By the end of the evening the audience was cheering Sara Crowe's Sybil - the harder part to play because she seems such a prig - quite as much as I had earlier rooted for Amanda.

It was a strange audience, none the less. Some of the work's best known lines passed almost unnoticed. Old hands know them by heart. "Don't quibble, Sybil." "Extraordinary how potent cheap music is" was almost lost. Even "very flat, Norfolk" fell well fairly flat. Not even the second reference to it was much picked up.

Instead the audience went for the seemingly more modern feminist touches: for instance, Amanda querying her first husband's statement that it is reasonable for him to have had more affairs than her because he's a man. "Excuse me a moment," says Amanda, "while I get a caraway biscuit and change my crinoline." Applause all round.

There was just the faint

feeling that a lot of people had not seen the play before. If so, they have a lot to look forward to, for the merits of *Private Lives* grow with time and the ending is a gem. The piece has a perfect symmetry: note the way Amanda tells her new husband in the first act of her pleasure of hitting her ex over the head with gramophone records. In the second act we see her do it.

There is also a wonderful playing with places. Not only "Very big, China," but "Have you ever crossed the Sahara on a camel?" "Frequently." And towards the end when the couples make conversation over breakfast: "Have you ever been to Brioni?" "No, it's in the Adriatic, isn't it?" "The Baltic, I think." "I once had an aunt who went to Tasmania." All that is pure pleasure.

The unfortunates are sometimes Sybil and Victor, the new spouses of Elyot and Amanda. Not here. Ms Crowe injects a note of sexiness into Sybil's innocence and of fire into her priggishness. Edward Duke makes Victor - the most difficult part of all - slightly more than the stooge he is. Keith Baxter plays Elyot, easy enough perhaps for a professional, given the Coward script. But it must be hard to play against Ms Collins. He does it by giving her slightly the upper hand.

The play is directed by Tim Luscombe. As for Ms Collins, she might like to consider having a shot at two other Ladies of the English stage: Bracknell and Macbeth.

Malcolm Rutherford

ITV wins at the Prix Italia

The unparalleled success of British television in international competition was emphatically confirmed here today when British programmes took the top prizes at the Prix Italia Festival in the documentary and ecology categories. The glory was all ITV's. The 15m prize (about £600) for the documentary went to *Hello, Do You Hear Us?*, an extraordinarily frank account of life in

today's Soviet Union, made by Yuri Podnieks for Central Television. The same company produced the ecology winner, *Can Polar Bears Tread Water?*, which considers the possible international implications of mass migration in the event of climate change. The British documentary won against 25 entries from 17 other countries.

Christopher Dunkley

'Les Troyens' in Glasgow

The production of Berlioz's masterpiece that was one of the highest points of British operatic life in the 1980s has arrived at its final home. *Les Troyens* has been a co-operative project shared between Opera North, Welsh National and Scottish Operas: the first part was unveiled in Leeds in the autumn of 1986 and the second added to it in Wales the following spring. Now in Glasgow it has been partially disjointed again; overtime costs have prohibited complete performances and so Tuesday saw the opening of "The Capture of Troy" (Act 1 and 2), Wednesday "The Trojans at Calydon" (Acts 3, 4 and 5). It is sung in French, but now for the first time with surtitles taken from Hugh Macdonald's English translation. In six weeks time, however, it will all come together again, first for one performance at the Theatre Royal, and then on December 3 and 5 for two evenings at Covent Garden.

Initial anxiety that the full dramatic force of Berlioz's dramatic span would be blunted by the separation was almost entirely blown away by the excitement and delight of revisiting such a score and in relishing again Tim Albery's searing production of it. One feared momentarily that it would not regain its cutting edge: the opening chorus of the first part, hurled at the audience with fierce expressionist lighting effects went awry. But thereafter little did and every detail was fitted into Albery's magnificently comprehensive scheme.

The production's most telling images (designs by Tom Cairns) had stayed in the mind - the cell-like upper chamber for the Trojan women, in which the tension of the second act reaches genuine claustrophobia, the

parade of Freudian imagery for the Royal Hunt and Storm as Dido wanders through her own sexual fantasies and fears, the final moments of the opera bathed in a cruel red light. But many more returned to haunt - the larger-than-life geckos and skinks clinging to the Mediterranean palace walls of the third act, the endless layers of blood-red sheets that Dido tears from her bed in her mindless grief, her collapse into a forest of golden arrows (Freud again!) when her despair reaches breaking point; Albery's control of visual effects is as sure as his command of the dramatic pacing.

So Part 1, with its implacable trajectory towards tragedy, is presented in austere greys and blacks with few frills; everything is channelled towards those last horrifying moments, with the red-gowned Cassandra fuelling the disaster. There is no room for extravagance. Then in Part 2 where the pace is more measured, the music more ample, the focus shifted from the public to the private, the imagery blossoms. The Royal Hunt and its aftermath become both the dramatic and decorative hub of the production in which each element has its place, even the ballet, choreographed by Ian Spink for Second Stride, which by turns is a wonderful send-up of the whole opera-ballet genre and yet another layer of Freudian reminiscence for Dido to record.

Scottish Opera has assembled an entirely new cast, one that in many ways seems the strongest yet for this production. It is dominated by its female protagonists, by Katherine Ciesinski's Cassandra and Kathryn Harries's Dido; they, together with John Mark's instinctively theatrical conducting, are the sparks that ignite the

fire burning through both evenings. Ciesinski is the sister of Kristine Ciesinski who sang Cassandra in the Leeds performance, and is currently appearing at the Coliseum in Wozzeck. She is a marvellously compelling singer, thrillingly even in her delivery, richly coloured in the lower register; the fury that mounts in Cassandra was uncompromising, the final moments terrifyingly bleak.

Harries's achievement is of another kind altogether, in what must surely be her finest role to date. All this Dido does is affecting - the purity of her line and diction, the allure of the vocal tone and physical presence, the breathtaking poignancy of her grief in the final act. It is an astonishingly complete performance. Harries it was who raised the second evening to heights that even Part 1's intensity had never promised, and in doing so brought the best out of Seppo Ruohonen's Aeneas, unassuming and visually and musically in Part 1, much more suave subsequently and matching Dido's lyrical poise in the fourth act, as well as from everyone else orbiting around her - Alasdair Elliott's splendidly truculent Iopas, Patricia Barton's Anna, Peter Rose's Nabal, and a beautifully voiced Hylas from Mark Curtis. In Part 1 it had been the chorus who dominated, goaded by Cassandra, with Steven Page's plausibly eloquent Chorus offering impressive security.

It is a production of all-round company excellence, then, proving the enduring worth of Albery's conception, and one with a real star. Miss Harries's astonishing portrayal must be seen, wherever tickets can still be found.

Andrew Clements Katherine Ciesinski in Part I, The Capture of Troy



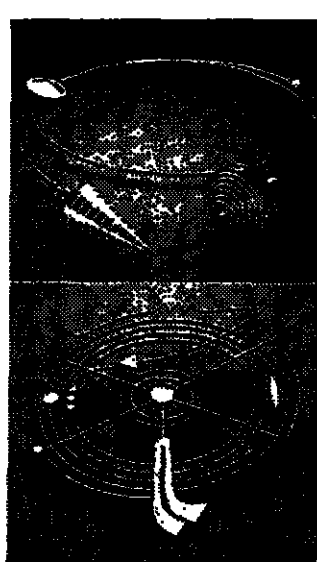
Sculpture on and off the body

Wendy Ramshaw's position at the forefront of the avant-garde New Jewellery movement is proof that experimentation and innovation are not incompatible with fine workmanship and precious materials. Or with wearability. While she sees herself as an artist and her work as "drawing" on the human body, three-dimensional drawings or body sculpture such as her linear, ornate necklaces are conceived with rare respect to the wearer. Ramshaw's hi-tech is remarkably user-friendly.

For someone who claims to make objects "whose function is to decorate the human body," she shows herself as concerned with the form and presence of her objects off the body. The precision-cooled post for the endlessly adaptable ring sets that made her reputation have become as important as the rings they hold, independent Futurist structures. It is sculpture on or off the body.

She considers herself an artist rather than a craftsman or designer, although her place of work is more machine-shed than studio and numerous projects have embraced mass-production and industrial collaboration. The tension between fine art and industrial design has shaped and honed her work for 20 years. A lively retrospective of her work is at the South Bank Craft Centre in the Festival Hall (until October 7).

The exhibition offers rapid leaps in mood and materials as it charts her remarkably constant aesthetic challenge to stream-line, brilliant in the title role. *Siegfried*, part of the new Ring cycle in a co-production with the Düsseldorf Opera, and by Kurt Horner, being Wagner specialist William Johns (Siegfried), Gunter von Kamm (Alberich), Tone Kruse (Erda) and Deborah Folsch (Grimhilde) together. *Fidelio* will be conducted by Cologne's music director James Conlon.



Neckpiece and brooch by Wendy Ramshaw

Images of Twiggy and the Shrimp are cases of exuberant proto-punk conchords, headpieces of brilliantly dyed emeralds, left flying freely or neatly clipped and combined with clay, silver-gilt and enamel. They evolved out of an Artist-in-Residence in Western Australia in 1978, a response to both Aboriginal art and the colour of the landscape.

In 1982 came further experimentation with ceramic forms and collaboration with Wedgwood which produced a range of studio jewellery using turned basalt Jasper in the firm's traditional palette. This time concentric orbits of arrows and pointed combs are softened by the light-absorbing pastel ceramics. In the glowing nickel alloy necklaces (definitely not necklaces) the angles and tensions sharpen.

Such austere, rigorous and geometric minimalist forms seem to derive from space-age technology. The earliest rings sets of bands of yellow and white gold - bravely made at a time when precious materials were scorned in art jewellery

- rest on nickel silver columns like thrusting space rockets.

Modern art provides a parallel inspiration. Watkins and Ramshaw's first commercial venture was the production of screen-printed perspex jewellery. For decoration they looked to Mondrian and Op art. Later, the attenuated spidery lines of the elegant long pins conformed out of combinations of metal, wax and thread, enamel and paper, recall the Klee or the symbolic mark making found in Kandinsky.

With the series of "Picasso Ladies" the relationship becomes direct. Ramshaw selected a group of Cubist Picasso portraits that sought to distill the essence of the sitter, and took their rhythms and forms and colours as a point of departure for a range of brooches, hair combs, ring sets and neckpieces. They employ virtually all the materials Ramshaw has ever experimented with, from silver and gold leaf on paper to student Colocortex, a Formica which is laser cut and laminated in brightly coloured layers.

In "Glass Portrait" an optical glass disc provides the ground or face for silver, amethyst and aquamarine earrings which suggest eyes and ears, silver and garnet rings with form a mouth, and a silver brooch for a nose. It is like a reworking of a Picasso plate.

Ramshaw has never been short on ideas, or application. The eclecticism of her visual sources is well matched by her expertise in materials. Her best work is formally thrilling, and reveals a great feeling for colour and texture - witness the necklace juxtaposing cornelian, sapphire, enamel, ceramic and feathers in a gamut of blues which runs from grey-blue to magenta. But perhaps the most elusive quality of Wendy Ramshaw's work is that - psychology aside - it refuses to date.

Susan Moore

Redevelopment

ORANGE TREE, RICHMOND

The place to comprehend fully the pace of change in Eastern Europe is the Orange Tree Theatre in Richmond. It is presenting a play by the President of Czechoslovakia, Vaclav Havel. When he wrote *Redevelopment* less than three years ago he could still portray his country as a totalitarian nightmare; today it is pluralistic enough to hail Mrs Thatcher.

Redevelopment, translated by James Saunders, is a magnificent achievement. Havel has managed to compress into little more than two hours three powerful interwoven themes. First, there is a plot which would be familiar to anyone familiar to British audiences for the past decade or so - the conflict between know-all architects, with their improving plans for "entertainment zones" and "palaces of culture," and the impoverished locals who want to be left alone in their insanitary, picturesque homes.

But it requires little imagination to realise that the six architects walled up in a castle overlooking the rural slum they are commanded to

purify is an allegory for Czechoslovakia. Periodically Government inspectors arrive to announce radical shifts in policy. One inspector seems to offer them architectural freedom and the group gets deliriously drunk (here is Havel, the crypto politician, warning of the thin line between liberty and licence) but soon the clamp comes down again. Marching purposefully across the stage there is the dark suited, badged, "special secretary" (Neale Goodrum) who exercises the real power - the power of life and death.

Yet Havel's genius lies in the third and strongest theme - the emotional entanglements among the architects. However powerful their political dreams it is love which finally cracks the carapace of hypocrisy under which they have learned to exist. Writing in 1987-88 Havel still ends on a bleak note, with death, and imprisonment, and break down. How darkest before the dawn it all is.

In its richness this should be a play for the National

Theatre. Fortunately the Orange Tree has pioneered Havel (this is his eighth play to be presented here) and its tiny stage provides the perfect cockpit setting to draw out intense performances from a cast of ten. Timothy Weston, as the idealistic architect who identifies with the villagers, somehow manages to avoid being just another young, bearded, polo-necked, feeble intellectual. Tim Hardy, as the smooth, self-playing project director, adept at mounting reassuring platitudes, also leaps beyond caricature. Indeed director Sam Walters gets sympathetic performances from the entire ensemble in which Frank Shelley and Janet Kay deserve recognition.

There used to be complaints that there were no conservative plays to combat the Hares and the Brentons. This is an impressive counter-blast. For all its polemic it is very funny, has some fine uplifting speeches, and is totally human. See it.

Antony Thorncroft

Les Ballets Africains

SADLER'S WELLS

The Ballets Africains are no strangers to London. Years ago, when Keta Fodeba first introduced us to the dance culture of Guinea, we admired the energy and masks and acrobatics, the still-walking and drumming and tirelessly shimmering midriffs, that are the vocabulary of movement from this region of Africa.

And on Tuesday, in an opening performance in Rosebery Avenue, the materials were much the same. The troupe has circled the globe many times since we saw it last, and the routines are in the main slickly cheerful, but still the drums drive the dancers and singers

on, and still the rhythms fly through the flailing limbs and frantically pounding feet.

A serious problem on this occasion was the crash over-amplication of every least instrument and voice. Drumming was made brutally, deafeningly loud - and there are sophisticated of timbre which we should be allowed to hear - while that most beguiling instrument the Kora (a gourd harp) had the embury of a rock-star's electric guitar. On earlier visits its sonorities have been delicately plangent; now it was no more than another element in a relentless din. The Wells must mend its ways, and respect our ear-drums.

The matter of the evening was without much surprise. The routines have the proper ethnic lineage, and costume, performance, setting are all that one might hope for in the theatre. The problem is, of course, that there is a far more serious African creative tradition than this, where dance is integral to a people's existence, a reflection of every important incident in the life of an individual or of his community.

This must inevitably escape

the stage, and we are left with decent but superficial elements - the fast-driven men's bodies gleaming as they leap and fall and prance; the happy swaying and sudden accelerations of arms and legs as the women succumb to the drums' message.

There is, though, one enterprising scene in the evening in which a folk legend is told about a girl who gives herself to a river god. When the god is shot by a hunter who loves the girl, she drowns in the river, and the hunter is cast out from his tribe. The theme would have suited Petipa - the implied conflict between sacred and profane love is not unworthy of *La Bayadere* - and the Ballets Africains' version has a clear narrative impulse and style. It is let down, as are other incidents in the evening, by uncertain editing. But there are the basics in this scene of a true African ballet, which uses dance as something more than a reflection of a people's existence, a reflection of every important incident in the life of an individual or of his community.

Clement Crisp

Money for museums should be doubled

"We are close to the edge of the precipice," said Lord Morris, chairman of the Museums and Galleries Commission yesterday, "and I hope that the new Minister for the Arts (Mr David Meller) does not suggest a giant leap forward."

Introducing his last report as chairman, and by far his most apocalyptic, Lord Morris called for speedy Government action to stop a flood of national art treasures leaving the country. He specifically asked for a doubling of the annual purchase grants of the national museums - which have been collectively frozen for the last seven years at £13m - plus at least £4m extra for the hard pressed "safety net" organisation, the National Heritage Fund.

Lord Morris, who retires at the end of 1990, says that the current export control system is breaking down because there is no clear Government policy. The unwelcome and unexpected decision earlier this year by the temporary Sec-

retary of Trade and Industry, Mr Nicholas Ridley, to allow individuals to put up matching bids for national treasures which had been temporarily stopped from leaving the country, has bedevilled the whole system.

He did not expect the Government to back down on this confusing initiative but he called for the control of the export procedures to be transferred to the Minister for the Arts and for a two tier system which would give museums and galleries priority over individuals in raising the money to save threatened treasures.

Lord Morris issued a clear warning to Derbyshire County Council which, in its poll tax stricken state, is threatening to sell its museum treasures to raise money. If it went ahead with what could well be unlawful procedures, the Museums Commission would stop its grants to the County.

Antony Thorncroft

ARTS GUIDE

OPERA AND BALLET

Continued from Page 20

Parma
Verdi Festival (until Sept 30). Gustav Kuhn conducting Verdi's *Aida*, with a cast of young prize-winning singers and the Bologna Comunale orchestra (at Teatro Magnani in nearby Fidenza). Daniel Oren conducts *Il Trovatore* at the Teatro Regio in Parma (21/09/90).

Berlin
Opera. *Die Zauberflöte* is a well done repertoire performance. *Die lustigen Weiber von Windsor* features Lucy Peacock, Gudrun Sieber, Patricia Johnson, Alfred Kuhn and Barry McDaniel. *Cosi fan tutte* has a strong cast led by Angela Denning, Mariana Claramella, Carol Malone, Alejandro Ramirez and Andreas Schmidt. *Der fliegende Holländer* directed by Robert Hale and Janis Martin.

Hamburg
Opera. The revived *Elektra* in August Everding's production stars Eva Randova, Gwyneth Jones, Linda Flech, Harald Stamm and Ticho Farly, conducted by Gert Albrecht. *Tosca* has Natalia Troitskaya outstanding in the title role. *Fidelio*, conducted by Nikolaus Harnoncourt has fine interior Protchka and

Frankfurt
Opera. William Forsythe's ballet *Limb's Theatre* is again offered this week. *Monsieur Beaucaire*

and his company play three one act pieces by Jacques Offenbach. *Macbeth*, the second successful opera production by Cesare Lievi, has Rosalind Pionwright excellent in the title role.

Bonn
Opera. The successful new *Rigoletto* production by Graham Vick, is wonderfully sung by Jean-Pierre Lafont in the title role. *Copelia*, choreographed by Yousif Varnos returns.

Stuttgart
Opera. *Die verkaufte Braut* is a Gian Carlo del Monaco production. *Werther* features Yasuko Rozaki, Marilyn Schmege, Marcela Holzapfel, Neil Wilson and Tero Hamula. *Lohengrin* is sung by Ruth Gross, Eva Randova, Toni Kraemer and Anthony Raffell. *Figaros Hochzeit* rounds off the week.

Munich
Opera. Nicolaus Lehnhoff's Ring cycle returns with *Die Walküre* and *Siegfried*, both conducted by Wolfgang Sawallisch with star singers René Kollo, Hilke Gerhards, Julie Kaufmann, Robert Hale, Sabine Hass, Marcela Holzapfel and Martti Salminen. Francesco Cilea's rarely played *Adriana Lecouvreur* is perfectly cast with Margaret Price, Bruna Baglioni, Neil Shiff, and Claes Ahnsoj. *Cinderella* has Riccardo Duse's choreography.

Cologne
Opera. *La Finta Giardiniera* features David Griffith, Teresa

Ringholz, John la Pierre, Janice Hall, Jane Sennell, Daria Brooks and Reinhard Dorn. *Madama Butterfly* convinces thanks to the excellent singing of the title role. *Siegfried*, part of the new Ring cycle in a co-production with the Düsseldorf Opera, and by Kurt Horner, being Wagner specialist William Johns (Siegfried), Gunter von Kamm (Alberich), Tone Kruse (Erda) and Deborah Folsch (Grimhilde) together. *Fidelio* will be conducted by Cologne's music director James Conlon.

New York
Metropolitan Opera. The season opens with Franco Zeffirelli's production of *La Bohème* with Mirilla Freni, Placido Domingo and Brian Swannay, conducted by Christian Bades along with Zeffirelli's production of *Don Giovanni* and *Rigoletto* conducted by Guido Ajmone-Marsan with Jerry Hadley in Otto Schenk's production (30/09/90).

Chicago
Lyric Opera. The company's 38th season opens with *Gluck's Alcibiades* with Jesse Norman in the title role. Chris Merritt as Admetos and John Brandstetter as the High Priest in Robert Wilson's production conducted by Gary Bertini. Civic Opera House (30/09/90).

Tokyo
Moseyev Ballet. The famous folk dance company from the USSR. Tokyo Bunka Kaikan (Mon) (08/09/90).

THEATRE

London

Jeffrey Bernard is Darwell (Apollo). James Fekani is the alcoholic character who embodies a Falstaffian, nay-saying life force while committing public suicide by vodka. (4/9/90)

Aspects of Love (Prince of Wales). Andrew Lloyd Webber's latest is an intimate chamber opera derived from David Garnett's 1955 novella. Musically interesting and well directed by Trevor Nunn. (8/9/90)

Burn This (Lyric) Blistering performances from John Malkovich and Juliet Stevenson in Laund Wilson's play about the mismatch of opposites (4/9/90)

Singer (Barbican). Anthony Sher in Peter Flannery's modern Jacobean tragedy that reflects a darkly comic view of Britain since the Second World War. (28/8/90)

Shadowlands (Queen's). Weepie about the love affair between crusty Oxford writer C.S. Lewis and the cancer-ridden American poet Joy Davidman, which pushes Nigel Hawthorne and Jane Alexander into the awards stakes. (7/9/90)

Abigail (Fringe). A white-bellied comedy (White-bellied). A white-bellied comedy, directed by the master himself, about three couples at Christmas in three kitchens over three years. Maura Redmond, Richard Kane and Lavina Bertram on fine form in a production that confirms Ayckbourn's early bleakness (7/9/87/11/90). Extended until January

Man of the Moment (Globe) Nigel Planer and Gareth Hunt in

another Alan Ayckbourn play, this time about media manipulation (4/9/90)

New York

Falsethland (Lucille Lortel). It will be known as the musical about Aida first hitting New York but it goes much further than that, showing the effect of the arrival of people who include a boy having a Bar Mitzvah and his parents, all three of them (24/9/90)

Gypsy (St James). This 30th anniversary production does more than reverse a rich, vivid musical; it also introduces a new better in the Marman tradition, Tyne Daly, as the bossy, tireless and tough Rose, who shamelessly leads her daughter into burlesque while rejecting a personal life for herself (24/9/90)

Grand Hotel (Broadway)
Tommy Tune, Broadway's present musical director, directs the remake of the Garbo film to shake the bones of this inert depiction of lives criss-crossing in an elegant, but somewhat random setting (24/9/90)

Case (Winter Garden)
Still a sell-out. Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically fine (28/9/90)

Les Misérables (Broadway)
The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (28/9/90)

Phantom of the Opera (Majestic)
Stuffed with Maria Ridderson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this transfer from London (28/9/90)

Washington

Shogun (Opera House). The \$6m Broadway-bound musical by novelist James Clavell is bound to be compared to Steinbohn's *Pacific Overtones* in exploring the origins of Western-Japanese contact. Kennedy Centre (4/9/90)

Playboy of the Western World (Eisenhower). Abbey Theatre company brings what the Americans want to see to confirm of the view of the Irish as unscrupulous charmers. Ends Oct 21.

Chicago

The Isman Cometh (Goodman). The Goodman opens its new season with a revival of vintage O'Neill starring film actor Brian Dennehy. Ends Nov 4 (4/9/90)

Tokyo

Kabuki. Kabuki-za (5/1/31). The highlight of the matinee at 11am is *Ise Ondo* (*The Dance of Death at Ise*), based on an actual case of mass murder in the 18th century. The star of the 4:30pm performance is 73 year old Goujuro, who plays his famous role of a street swagman in *Edo Sotatsu O Matsuri Seshi*. Chitose's telephone guide in English and English-language programme. Ends September 25.

Phantom of the Opera (in Japanese)
This highly successful production is a carbon copy of the London original, with the added advantage that one can ignore the banal lyrics, since they are in Japanese. Shinbashi Ebijoh Theatre (7/9/90)

FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700

Friday September 21 1990

The control of mergers

ON THE DAY before the European Community's new merger regulation came into force, the British Government provided a striking demonstration of how national and European priorities in merger control can differ. The Trade Secretary, Mr Peter Lilley, referred to the Monopolies Commission three mergers, two of which - had they got to the stage of a firm agreement or bid - would have been within the jurisdiction of the Brussels Commission.

In one of these cases, the joint venture in guided weapons between British Aerospace and Thomson of France, Mr Lilley acted yesterday in order to ensure that an aspect of the deal in which he is particularly interested - the fact that Thomson is state-owned - is examined by the Monopolies Commission. The EC authorities would be unlikely to consider this point because, partly on British insistence, the regulation is predominantly concerned with competition.

In July Mr Lilley announced an important modification to UK mergers policy, prompted mainly by the aggressive takeover activity of French state-owned companies. In future, he said, the degree of state control of the acquiring company would be given close attention in deciding on references to the Monopolies Commission. Since then, three deals of this kind have been referred, two involving French companies and one the Finnish-owned Kemira, which is seeking to buy ICI's fertiliser business; this last transaction would have been referred in any case on competition grounds.

New element

It is questionable, to say the least, whether the cause of competition in the UK will be advanced by the addition of this new element to a mergers policy which has long been too discretionary and vulnerable to changes in fashion. But the Monopolies Commission does now have the chance of examining thoroughly whether Mr Lilley's concerns are valid or not. Its assessment of the practical significance of state ownership in the three cases now before it is bound to influence future reference decisions.

Was the Government right to

pre-empt the Commission in the three references made yesterday? With proceedings now started in the UK, the Commission has no jurisdiction to intervene in these cases even though one of them, the BAE-Thomson deal, quite clearly affects the European defence market as a whole and might seem an obvious early test for the Commission's new procedure. Yet the defence business is a sensitive area, and the Commission's jurisdiction is limited by considerations of national security. There are some cross-frontier deals, of which this might be an example, which ideally should be looked at both from a national and a European point of view, but the EC regulation excludes this "double jeopardy", either one authority or the other has jurisdiction.

Different criteria

In future, the British Government will only be able to apply its state ownership provisions to those transactions in which the combined turnover of the two companies falls below the level qualifying for EC jurisdiction. This is hardly logical since in some Continental countries it is the very largest companies which are often owned or controlled by the state. But this is unlikely to be the only respect in which national merger authorities follow somewhat different criteria from those contained in the EC regulation. The differences need not be unduly damaging as long as the thrust of policy at national and Community level is consistently directed towards the promotion of competition.

At both levels the authorities need to pick their targets carefully, recognising that neither size nor dominant market shares are necessarily incompatible with competition, but looking closely at how the players in the relevant market behave and at barriers to entry for new competitors, including non-EC companies. The European Commission has been especially vigilant when the very largest companies, often the national champions of the past, form links with each other. These are ostensibly designed to secure economies of scale, but have the potential for re-creating on a Continental level the cosy conditions they used to enjoy at home.

The defence of Europe

MR Gianni De Michelis, the Italian Foreign Minister, is an idealist whose many ideas about the future organisation of Europe and the world are too often treated by his partners with amused tolerance. Such an attitude is certainly inappropriate in the case of his latest proposal that the European Community should assume a more important role in the co-ordination of members' defence policies. In spite of all the obstacles in the way of such a development, the first thing that should be said about Mr De Michelis's plan is that it has been part of the European integration debate since the immediate post-war period. The EC's founding charter, the Treaty of Rome, wisely concentrated on economic co-operation as the first essential step on the road to integration. But, with the exception of latecomers such as Britain, most of the member states have always considered closer political union and greater defence co-operation as equally important objectives.

The overriding importance that NATO and the US have attached to the defence of Europe until recently put any idea of a purely European defence organisation on ice for 40 years. Some attempt was made through the Western European Union (WEU) to fill the gap. But for the most part it has fulfilled the role of co-ordinating its members' defence policies inadequately, with the exception of moments during the Iran-Iraq war and the present Gulf crisis.

Reduced Nato role

The overriding argument in favour of a re-examination of the organisation of European defence is that, with the virtual disappearance of the Soviet threat in Europe, Nato seems bound to play a smaller role. Even if the Alliance does not disappear altogether in the long run, it is at least certain that the US presence in Europe will become less significant as the result of budgetary restrictions and the projected agreement on reducing conventional forces in Europe.

The old argument used by Atlanticists that any attempt by western Europe to go its

own way in the defence field would upset the Americans and undermine Washington's commitment to the collective defence effort within Nato, has lost much of its validity. Moreover, the latest events in the Gulf have underlined the limits to Nato's willingness, if not strictly legal capacity, to act outside its own prescribed area, while at the same time making plain a painful lack of European co-ordination, particularly by France.

Greater co-operation

To state that the time is ripe for greater co-ordination of European defence policies is to state the obvious. But this sensitive matter should be handled immediately according to the same procedures as, say, competition policy. Mrs Margaret Thatcher and President Francois Mitterrand would be the first to point out that important questions of national sovereignty and security are involved which they cannot accept should be subject to supranational decision-making. Another telling argument which opponents to any full EC involvement in defence will employ is that this would make it even more difficult than it already is to open the Community's door to newly-democratic eastern European countries and neutral members of the European Free Trade Association.

A merger of the WEU with the EC, as Mr De Michelis seems to suggest, cannot therefore be considered a realistic project, for the moment at least. In the short term, the aim should be to strengthen defence policy co-ordination within the WEU, while establishing some kind of link between the deliberations in this forum and the EC's political co-operation mechanism.

Such a link, loose as it might be, would at least make it clear what the long-term objective should be. A common foreign policy, as Mr Mitterrand pointed out this week, is a precondition for a common defence policy. But if and when that condition has been fulfilled, it would no longer make sense to exclude defence from the Community's field of action.

Robert Thomson on the effects of turmoil in Tokyo's financial markets
Japan's reservoir loses its depth

If anyone thought that Japan had an endless reservoir of cheap capital to meet its own and the world's needs, he or she must now be thinking again.

In the 1980s, a rapidly-increasing flow of Japanese funds into overseas markets convinced borrowers ranging from the US Treasury to Mr Donald Trump that Japanese banks and financial institutions could always be relied on to stump up money. Far from fearing that Japan might run short of funds, Americans and Europeans were concerned they would be over-run by Japanese buying everything from companies to landmark buildings.

This year's turmoil in Japanese financial markets has changed everything. Any hope that the rest of the world might escape unscathed from the confusion was looking forlorn even before Iraq's invasion of Kuwait increased the general sense of uncertainty.

In the first six months of this year, well before President Saddam Hussein's tanks rolled, the Japanese were net sellers of US and UK securities for the first time in a decade. Total net purchases of foreign securities were \$10bn, down from \$46.3bn in the same period a year ago, and Japan's Ministry of Finance expects the figure to be

Japanese investors have more reason to feel cautious about securities investments than almost anyone else because of the sharp plunge in Japanese stocks and bonds

lower in the second half.

The consequences are likely to be far-reaching - not least in the US. Japanese institutions have routinely bought 30 to 40 per cent of US Treasury bonds at auction. Last year, they turned over \$2,900bn in US securities. The figure will be substantially less this year.

The crux of the matter is that a combination of rising interest rates and decelerating economic growth, compounded by international political uncertainties, has made investors everywhere more cautious, including in Japan.

Japanese investors have more reason to feel cautious about securities investments than almost anyone else because of the sharp plunge in Japanese stocks and bonds. As one Finance Ministry official put it: "Japanese institutions have had very large losses in their trading on the domestic market and they cannot afford to buy foreign securities."

To make matters worse for overseas borrowers, demand for funds inside Japan has driven up domestic interest rates to the point at which it makes less and less sense for the Japanese to invest abroad. The gap in yield between Japanese and US government bonds has closed from a peak of more than 5 percentage points to less than 1.0 percentage point.

There are good reasons why Japanese interest rates have risen so far. Industrial companies are borrowing because economic growth is strong in comparison with the US and Europe; banks need funds to make good the damage done to their capital reserves by the collapse in the value of their securities holdings.

More than half the subscribers to Money Laundering Alert, a highly-specialised newsletter, are one year old, are turning out to be financial institutions rather than hoodlums and shysters. And most of the rest are lawyers and government departments.

Charles Intrigini, an American lawyer who has written and publishes the newsletter, is still puzzling out the message to be read into that readership profile.

The Miami-based monthly is proving to be one of the most original publishing ideas for years. Initial police fears that it would concentrate on sensational stories about the Medellin drug cartel have proved unfounded.

Most of the newsletter tends to be taken up on developments in money laundering. One of the recent issues included a guide, giving translations of the phrase "money laundering" in different languages.

The Russians call it "Otmnyanlye deneg", the Japanese "Shikin no sentaku", the Swedes "Att tvatta pengar", and the Spanish "Lavado de dinero".

Among the subscribers to the newsletter are Yves St. Laurent, the Paris fashion house, Western Union, and American Express.

Several British institutions find it required reading. You will not be surprised to learn that one is the Bank of England, and another is Scotland Yard.

Dropped catch

A London manufacturing company has sacked a recently hired marketing manager.

He had been recommended by a headhunter, and interviewed separately by the company's personnel director, the chief executive, and the marketing

Most important, the Bank of Japan wants to keep a tight grip on credit to stamp out a resurgence in inflation, itself a consequence of too much easy money supplied in the late 1980s.

As a result, the institutional investors, which piled into foreign securities markets in the last decade, are now finding more attractive opportunities at home, not in the rocky Japanese securities market but in old-fashioned lending.

The 40 per cent fall in the Tokyo stock market this year and turmoil in the bond markets have affected every part of the financial machine that channels capital into foreign markets.

Japanese banks, used to having their balance sheets bolstered by unrealised gains from exponentially rising share prices, are now desperately trying to raise capital before this month's close of the fiscal first half, when they are scheduled to release details of their share portfolios. In recent times, the banks have been responsible for about 20 per cent of foreign securities purchases by Japanese.

The banks have suddenly found that the stock market is closed to new issues, and that those realisations of their share portfolios. In recent times, the banks have been responsible for about 20 per cent of foreign securities purchases by Japanese.

Share holdings had kept the banks comfortably above the 8 per cent capital to assets ratio set by the Bank for International Settlements. Now, most leading Japanese banks - while still fundamentally sound - are below that standard, and are seeking subordinated loans to improve their position.

Life and non-life insurers, who buy about a half of the foreign securities purchased by Japanese institutions, are also suffering from losses on the stock exchange and instead of searching for foreign clients, are now having to deal with a rush of requests for money from Japanese banks.

Mr Kenji Ueda, chief manager of investment capital at Tokio Marine and Fire Insurance, the largest non-life insurer, said that some corporate clients are looking for loans for the first time in a decade, while "about 20 commercial banks have come in here in the past few weeks".

The Big Four securities companies, Nomura, Daiwa, Nikko and Yamaichi, deal in foreign securities but keep relatively few stocks on their own accounts. They could be forced to reduce staff or review their foreign operations unless the market improves, as they have just revised downwards by 50 to 70 per cent their pre-tax profit predictions for the first

half.

All this is not to say that the flow of Japanese money overseas will dry up altogether. As long as Japan earns trade surpluses, it will have capital available for investment abroad. But with the current account surplus down from 4.3 per cent of gross

domestic product in 1986 to 2 per cent,

a smaller proportion of funds is available for investment abroad, and Japanese investors are likely to be much more selective. There will continue to be compelling reasons for direct investment in overseas factories and industrial facilities. However, the flow

surprisingly quickly, and you will start to see it in the fourth quarter,"

Mr Ken Ueda, an economist with Deutsche Bank in Tokyo, said yesterday.

A leading fund manager said that other companies have been shocked to realise the state of the equity portfolios they built up in recent years with surplus funds. With average stock prices down 40 per cent this year, many may prefer to cut their spending plans rather than realise heavy losses on their equities to fund them.

"I think capital spending will fall

Bank survey published yesterday, capital spending remains strong, with large industrial companies reported to be planning to raise capital spending in the current fiscal year by 17 per cent.

But some bank officials and other economists fear that the data for the survey, gathered late last month, may already be out of date. They suspect that the much higher costs of borrowing or raising equity capital than prevailed a few months ago are making many companies reconsider their investment plans, especially as the US economy appears to be weakening.

"I think capital spending will fall

bles the Japanese brass hats have been suffering this summer as they have tried to square the new realities in East-West relations with their cherished notion of the Soviet Union as a potential threat.

That notion had underpinned their demands for ever-rising budgets for a decade. They did not know what to do without it.

According to diplomatic sources in Tokyo, the hand wringing came to an abrupt end when the authors of the annual defence white paper presented their thoughts to Toshiki Kaifu, the prime minister.

Fresh from the Houston summit of leading industrialised nations, which had also abandoned the idea of a Soviet threat, Kaifu insisted that the reference be deleted. "The Soviet threat is over," he said. "Margaret told me so."

Token force

At least one Japanese cannot be accused of dragging his feet in trying to get to grips with President Saddam Hussein.

Kanji Inoki, a professional wrestler turned politician, has just left Japan for Iraq to offer himself as a hostage in return for one of the 141 Japanese held captive.

Inoki, aged 47, a member of the upper house of the Japanese Diet and leader of the Sports and Peace Party, hopes to meet President Hussein face-to-face.

But it is not clear whether Saddam will want to meet Inoki - who weighs 105 kilograms and once went into the ring with the boxer Mohammed Ali for a bout which was declared a draw.

News leak

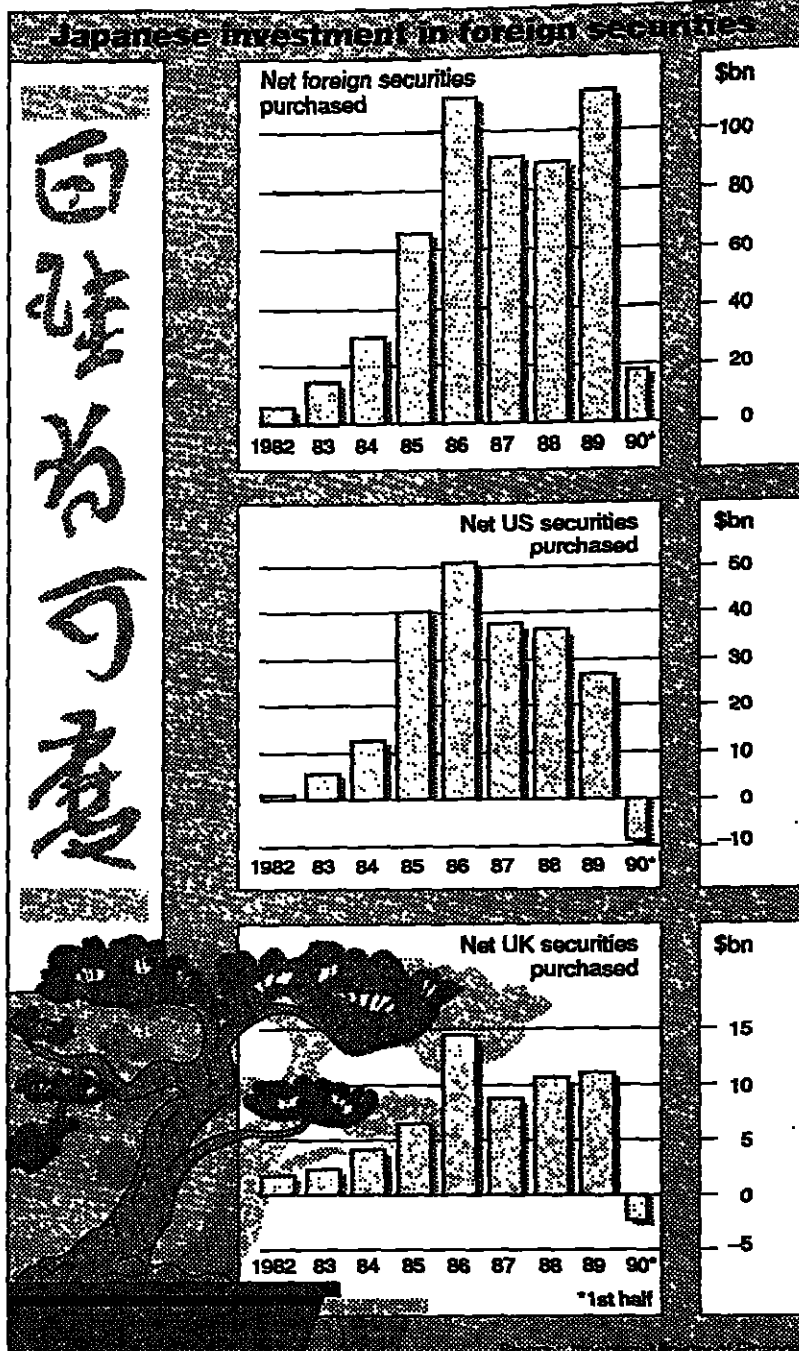
Spotted yesterday at London Underground's Bond Street station: "To all Customers. The smell behind this door is stagnant water NOT gas."

Well that's all right then.

Quiet word

The ability of Margaret Thatcher to cast a special spell over the Japanese authorities in her role as "the iron lady" remains as strong as ever.

The latest indication of her influence comes from the trou-



of indirect investment, carried out through the financial markets, may become more erratic.

Foreign borrowers will find Japanese money more difficult to secure blue-chip borrowers, from the US Treasury down, will get what they need - but will have to pay more for it; their less well-capitalised brethren may go to the wall.

An executive at one of the country's largest fund management companies, also a substantial purchaser of foreign securities, said that Japanese fund managers have in the past been unsophisticated in their foreign investments, but that the present climate will teach them to seek better value for money than in dollar-denominated investments, he said.

In fact, the pattern is already changing. Fund managers say that Japanese institutions will buy fewer Treasury bonds, particularly now that fears are growing in Japan of a US recession and there are expectations that the dollar will continue to decline.

Washington has already made Tokyo aware of its concerns about the high level of Japanese interest rates. A sudden flight of Japanese institutional money could indeed become a serious political problem.

Japanese money has begun to search out better returns abroad. Continental Europe is a principal target, with the Japanese institutions attracted by European economic integration. Japanese trading of West German securities doubled in the first half and trading in French securities was more than four times higher.

To some extent, Japanese institutions have been selling foreign securities in order to wind-down their accounts before the end of the month. But Finance Ministry officials are worried that this trend could be repeated on a far grander scale next March before the closing of the year's accounts.

"We have noticed the trend to sell foreign securities this month. We are very afraid about what could happen in the US next March. We think there could be very big selling in the US," a senior Finance Ministry official said. "The ministry is concerned that this selling could seriously disrupt a US economy viewed by many government officials in Tokyo as close to recession."

The Japanese economy remains strong, with expectations of over 4 per cent real GNP growth this year, in spite of the higher oil prices, and Japanese industry is thriving on strong domestic demand. But most companies have also had the easy capital option of equity issues cancelled by the weakness of the stockmarket, and must find new sources of funds.

Japanese companies' direct foreign investment in manufacturing facilities and natural resources has continued this year, though the Ministry of Finance presumes that the figure has peaked at \$35.5bn in the first half, up from \$33.6bn in the second half last year, and will fall in the second half this year.

With the Kuwait crisis unresolved, the potential for another sharp fall on Japanese securities markets haunts the financial institutions. Capital flows have already been distorted by the slump this year. Another plunge would further encourage the institutions to take foreign profits, if available, and bring money home to bolster the books.

Ian Rodger

OBSERVER

Dirty cash for washing

More than half the subscribers to Money Laundering Alert, a highly-specialised newsletter, are one year old, are turning out to be financial institutions rather than hoodlums and shysters. And most of the rest are lawyers and government departments.

Charles Intrigini, an American lawyer who has written and publishes the newsletter, is still puzzling out the message to be read into that readership profile.

The Miami-based monthly is proving to be one of the most original publishing ideas for years. Initial police fears that it would concentrate on sensational stories about the Medellin drug cartel have proved unfounded.

Most of the newsletter tends to be taken up on developments in money laundering. One of the recent issues included a guide, giving translations of the phrase "money laundering" in different languages.

The Russians call it "Otmnyanlye deneg", the Japanese "Shikin no sentaku", the Swedes "Att tvatta pengar", and the Spanish "Lavado de dinero".

Among the subscribers to the newsletter are Yves St. Laurent, the Paris fashion house, Western Union, and American Express.

Several British institutions find it required reading. You will not be surprised to learn that one is the Bank of England, and another is Scotland Yard.

Dropped catch

A London manufacturing company has sacked a recently hired marketing manager.

He had been recommended by a headhunter, and interviewed separately by the company's personnel director, the chief executive, and the marketing

director, before being taken on.

He quickly proved incompetent. So the four of them called in the headhunter and held a postmortem on what had led them to hire the man.

It turned out that in each of the interviews he had spent most of the time talking expertly and wittily about cricket.

Meanwhile, John Major's love of cricket is beginning to verge on the obsessive. The Chancellor took time off from the Commonwealth Finance Ministers' meeting in Port of Spain, Trinidad, to visit the local cricket ground - which like that of his own club, Surrey, is called The Oval.

Nobody was playing. But that didn't worry Major. He remarked that most people visit cathedrals when nobody is preaching.

On his feet

Trinidad is using the Commonwealth Finance Ministers' conference to demonstrate to the world that it has successfully put the recent coup attempt behind it.

Any embarrassment that delegates might have felt about talking of the coup was elegantly defused by the prime minister, Arthur Robinson, in his speech to the meeting.

Robinson, who was shot in both legs during the disturbance, won a prize for candour when he remarked that if his speech appeared too long it was "because I want to assure you that I still stand firmly on my own two feet."

The successful quelling of the uprising by Trinidad's democratically-elected government has won considerable admiration among other Commonwealth countries.

Trinidad itself looks to be facing a rather happier future. It is already one of the richest



countries in the Caribbean and as a minor oil exporter is one of the few Commonwealth countries which will gain from the oil price rise.

By contrast, the future for Nauru - a tiny dot of a country in the Pacific Ocean - is bleak indeed. It is threatened with economic oblivion in four or five years time when its phosphate deposits run out. That will leave no livelihood for the 5,500 Nauruans who inhabit the island's 21 square kilometres.

At one point the Nauruans seem to have contemplated abandoning their island and moving elsewhere. Kinza Clodumar, the Nauruan finance minister, said, however, that the people had rejected this option and were determined to maintain their traditions and way of life.

Quiet word

The ability of Margaret Thatcher to cast a special spell over the Japanese authorities in her role as "the iron lady" remains as strong as ever.

The latest indication of her influence comes from the trou-

bles the Japanese brass hats have been suffering this summer as they have tried to square the new realities in East-West relations with their cherished notion of the Soviet Union as a potential threat.

That notion had underpinned their demands for ever-rising budgets for a decade. They did not know what to do without it.

According to diplomatic sources in Tokyo, the hand wringing came to an abrupt end when the authors of the annual defence white paper presented their thoughts to Toshiki Kaifu, the prime minister.

Fresh from the Houston summit of leading industrialised nations, which had also abandoned the idea of a Soviet threat, Kaifu insisted that the reference be deleted. "The Soviet threat is over," he said. "Margaret told me so."

Token force

At least one Japanese cannot be accused of dragging his feet in trying to get to grips with President Saddam Hussein.

Kanji Inoki, a professional wrestler turned politician, has just left Japan for Iraq to offer himself as a hostage in return for one of the 141 Japanese held captive.

Inoki, aged 47, a member of the upper house of the Japanese Diet and leader of the Sports and Peace Party, hopes to meet President Hussein face-to-face.

But it is not clear whether Saddam will want to meet Inoki - who weighs 105 kilograms and once went into the ring with the boxer Mohammed Ali for a bout which was declared a draw.

News leak

Spotted yesterday at London Underground's Bond Street station: "To all Customers. The smell behind this door is stagnant water NOT gas."

Well that's all right then.

CITY MARKET

Briefing

A quarterly update and commentary on the City of London Property Market

To receive your copy of the Autumn 1990 issue of St Quintin's City Market Briefing, telephone Maria Goody on 071-236 4040.

St Quintin
CHARTERED SURVEYORS
71 Queen Victoria Street
London EC4V 1QQ

New also

From Mr D

Sir, You

("Steps to

September

so both in

previous

power con

to an end

But it nee

new - it n

It needs to

new contr

much in a

crisis.

One relat

threatened

Reports of

deals may

eased by pos

ment (two)

referred to

said "I re

UK defence

look". But

new arms

East will c

world orde

or releas

The recou

starting to

to reso

political fac

Gulf situat

made them

new world

make sense

MBOs

From Mr D

Sir, The

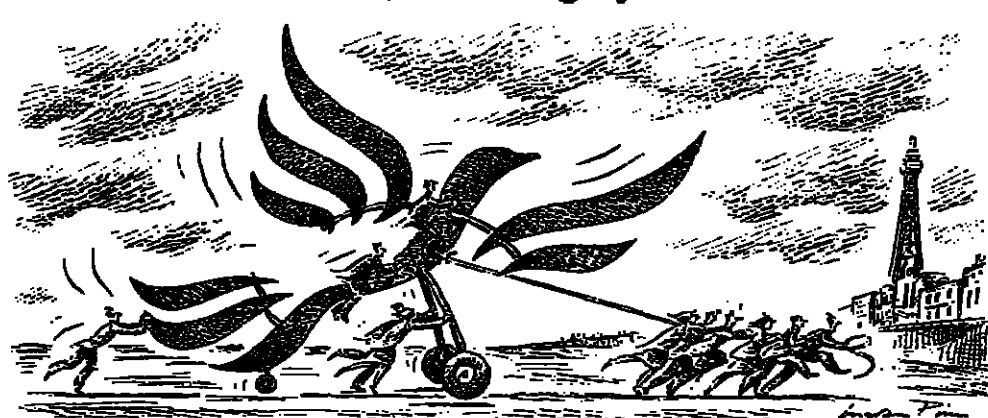
Chartered

publishes

POLITICS TODAY

Parties talking to themselves

By Joe Rogaly



years. There is a greater sense of discipline. The Green Party, such an apparent threat a year ago, is now so low in the polls as to make Mr Ashdown seem like the leader of a large party.

While some of the fuzziest Conservatives see themselves as the party of Edmund Burke, and Labour is struggling to establish itself as no longer the party of Karl Marx, which of course most of it never was, the Liberal Democrats proclaim their articles of faith to be traceable back to John Stuart Mill. Mr Charles Kennedy, their new President, quite specifically used Mill as his text in a strong speech on Tuesday. "We are a party which, unlike Labour, combines concern for the individual with institutional reform," he said. "That is the nub of the distinction."

On this basis the Liberal Democrats, who seem at last to have settled on a name, have produced a neat checklist of four recognisable programmes. The first is nothing special: like the other parties, they favour more, and better, education. The other three set them apart. On the environment they are the greenest; on Europe, the most European; on electoral, and indeed constitutional, reform they are uniquely in advance of anything else on offer. The four Es constitute a package that most voters may never know exists, but one that I suspect would

appeal to a surprisingly high proportion of them if they did. It should be taken seriously.

Wait a minute, I will be told. Are these fellows not socialists in disguise? Is this not a bunch of sappy Liberals plus the old right wing of the 1960s Labour Party under a new name? Mr Paddison is, in fact, but converting his people to a different set of principles, rather like those once espoused by Dr Owen at the old SDP. The leader's speech yesterday

The Liberal Democrats now have more discipline

morning was aimed more at his own Liberal Democrats than at the electorate at large. We have to be a free-market party, said he. We have to put the long love affair with the corporate state behind us, he intimated. "Mrs Thatcher has liberalised not too much, but too little," he said; his party would break up the privatised monopolies in the interests of competition and the consumer. In his mind, as exposed over breakfast, he sees the Liberal Democrats becoming the British equivalent of Germany's Free Democrats.

I hardly need spell out the difficulty. The Free Democrats have a place in most Bonn governments because proportional

representation gives them seats in accordance with their rather low national vote, and they therefore become indispensable coalition partners. Like Mr Ashdown, I believe strongly in PR, and indeed salute most of the rest of his constitutional (and environmental) packages, but for us to get PR for elections to the Commons in Britain the Liberal Democrats would have to become the pivotal force in a hung Parliament. The sad truth is that our first-past-the-post system usually produces an overall majority for one party or another. Heads, Labour; tails, the Tories. When the penny stands on edge, we have a hung Parliament. If we do get one, it will become safe to start articles with the words "Mr Paddy Ashdown."

The Conservatives are also talking to themselves. The question before them this week is momentous. Do they enter the next election with a manifesto promising an assault on the Welfare State? It would be a silly question were it not the nub of a pamphlet by the "No Turning Back" group of Tory MPs. It would not be a worthwhile question if an identical pamphlet had been published by a less-influential body, since it is not so much poorly argued as not argued at all. It is merely declamatory.

These are, however, declarations likely to be heard if not necessarily all adopted by the Prime Minister, Mrs Margaret Thatcher. Many members of the NTB group are in junior positions in the Government and one of them, Mr Peter Lilley, recently joined the Cabinet as Trade and Industry Secretary. Those I have met usually turn out to be amusing company; true believers but not, except perhaps in the case of Mr Michael Portillo, devoid of a sense of humour. The latter does, after all, have the poll tax portfolio.

Not all of the group's unsubstantiated propositions are outrageous. They favour road pricing for motorways, which puts them ahead of the Government and the Labour Party, but behind the Liberal Democrats. They push privatisation of British Rail; did I not hear Mr Ashdown saying something very similar yesterday?

Again, their xenophobia and their Burkean approach to constitutional reform are matters of taste, or in my case, distaste. Their anguished wrestling with modern society is, however, peculiar. It is, for example, odd that a group that desires the minimum role for the state should pronounce that "any policy - any tax - should be judged by its impact on the family."

Presumably this includes the poll tax. I sympathise with the plan to chase fathers for child maintenance payments, but a more thought-through paper would have discovered, and acknowledged, that this will not save much taxpayers' money since there is nothing to deduct from an unemployed or very low-earning absconding father, while a high proportion of the rest do pay up. As to making divorces harder to obtain, what does this do to extend the freedom of the individual?

The core of their proposals, they say, has to do with widening the use of private schools and private health care, while trying to "wean people off welfare." They advocate education vouchers; so, in effect, does Mr Ashdown with his entitlements, but he would not accept their use by affluent parents for topping-up school fees.

They want an insurance-based welfare system "run on a private agency system." The thrust of the paper is that these notions will seem no more shocking when they have been implemented than portable pensions or privately bought council housing do now. I would consider each item, if there was anything to consider, but you cannot make much headway with lines that could have been jotted down on a beermat in the Commons bar. The Labour Party is understandably delighted.

Soviet economic restructuring

Living in a world where the Plan does not rule all

By Alexander Kennaway

Soviet politicians, academics and economists are indulging in an old Russian pastime - philosophising about things outside their experience. While they debate ingenious variations on how to privatise and turn a command economy into a market economy, their real world of food, distribution and manufacture is collapsing.

No one has much understanding of how to begin to put it right. They have lived through 70 years of coping with a system based on theory - albeit a bad one - but even before the revolution Russia was not good at manufacturing. The best factories were managed by foreigners.

The real world of Soviet managers has to cope with satisfying or pretending to satisfy the Plan and the ministerial and party bureaucrats. A Soviet factory manager is often denied market information: his orders come down from his ministry. The ministry officials talk to officials in other ministries who tell their juniors in the shops what they will get. The officials are the ones who travel abroad, look at foreign equipment they rarely understand, buy consumer goods and, on their return, pass some inadequate information to the factory engineers who try to compete with German or Japanese equipment.

Soviet engineering factories look like British ones before 1914: the tired manager lives from day to day, trying to cope with the problems that he knows will be repeated tomorrow. He has little idea or time to conceive the ideal factory and to work towards it.

Innovation in products and processes goes through a cumbersome chain starting with Academy of Science research labs doing what they think is "pure" science and descending through sector applied research institutes to design offices and the factory. There is little feedback passed up the chain and next to none is forthcoming from the customer or user. Innovation interferes with the Plan and the bonuses of the directors, staff and workers who all resist it.

The Plan prescribes output before quality, so it is a rare Soviet product that sells on the

world market unless it has been made in a factory supplied from abroad and for which the design owes a lot to foreigners. Because the internal Soviet market is a sellers' market there is no incentive to improve quality.

Everybody in the Soviet Union is now pessimistic. They lack faith in themselves and are waiting - as so often in the past - for a new Tsar to make all the improvements.

So what is to be done? Immediate privatisation would lead to ruin and result in total disenchantment with a programme widely publicised as the Soviet Union's last chance. The thing has to be taken at a steady pace.

Relationships - especially at local and regional levels - should be established between concerns which would supply goods and services to one another. These enterprises must ignore directives from the top; the ministries perform

Soviet enterprises must take on their own research and development programmes

no useful function except to keep the bureaucrats in privileged jobs.

Competitive supply to more than one user must be organised with as short a distance between producers and consumers as possible. Then there will be a chance of raising quality and service and of finding out the true costs of production and distribution.

Enterprises that have a chance of responding to new methods must be encouraged. Ideally, these should have very few suppliers so that they can be influenced by their customers. They should be located in places where there is little alternative work so that workers cannot simply go elsewhere but will have to respond to leadership or be unemployed.

Such companies should employ good foreign consultants whose fees would be paid in hard currency. Only after the consultants have reported to the management of the

Soviet concerns should any foreign money be made available to the Soviet venture for purchases of hardware. Material incentives must be given to the outstanding performers and so valuable hard currency will have to be used to stock factory shops with foreign consumer goods. Incremental success will also give them all confidence in their own ability to make improvements even if it takes some years to catch up with the rest of the industrialised world.

Foreigners must also take part in new ventures. Studies show that high-quality domestically-made Soviet products will sell at home and abroad. A start must be made on improving design. Simply increasing output will not suffice.

Distribution and service industries must be given prestige; at present, only the so-called producers are respected. Distribution and communications need vast improvement.

After the manner of their western counterparts, Soviet factories must take on the research and development tasks that are now carried out in separate research labs of the Academy of Sciences and in the technical institutes and design offices. Factories must have their own specialist units for each of their businesses (for example, trucks and refrigerators). These should be staffed with competent people in marketing as well as technical development and production management and engineering. Firms should practise the leadership and co-operation encapsulated in the Japanese term "simultaneous engineering."

These imperatives are essential prerequisites for privatisation. No one would buy bankrupt factories, nor trust their investment to the current generation of Soviet managers and work-force. The essence of a market economy is competition and intimate relationships between working partners in the chain from raw materials to satisfied customer. Good performers do well, bad ones fail. Better the weak should go down than that the whole economy should founder. The author is a professor of engineering at Imperial College, London.

LETTERS

New world order must also be different

From Mr Gerry Pocock.

Sir, Your editorial comment ("Steps to a new world order," September 17) is timely. This is so both in the sense that the present situation of super-power concentration has come to an end and that there is an urgent need for such an order.

But it needs to be more than new - it needs to be different. It needs to embody three really new concepts which are not much in evidence in the Gulf crisis.

One relates to the rule or threatened rule of force. Reports of huge new arms deals may indeed bring relief to defence industries threatened by post-cold war disarmament (two recent FT headlines referred to a "peace scare" and said "threat of war improves UK defence companies' outlook"). But I do not see how a new arms race in the Middle East will contribute to a new world order that is either desirable or relevant.

The recourse to massive military build-up has done nothing to resolve the complex political factors involved in the Gulf situation. It has already made them more intractable. A new world order will only make sense if it is based on

political means and disarmament.

Disarmament and rejection of military options is also an essential condition if the United Nations is to become an arbiter and peacekeeper. New arms build-ups and the regular misuse of Article 51 by "big powers" (Falklands, Libya, Saudi Arabia) make a mockery of talks of a strengthened UN. Finally, one lesson from the Gulf is the need for a much more carefully considered approach to countering aggression, making sanctions work etc. The future does not belong to the "great powers" alone. Much greater weight has to be given to the views and needs of the Third World and smaller countries. The suggestion that Germany become a permanent member of the Security Council is both inappropriate and irrelevant.

Far from encouraging and feeding a new arms build-up, which will in any case not be confined to the Middle East, the big powers should commit themselves to a faster pace of disarmament and concerted action to restrict the arms

Gerry Pocock,
41 Lyndhurst Drive, E10

MBOs for the long term

From Mr Derek Sach.

Sir, The management buy-out (MBO) at Hoare Govett may be a special case, but surely not for the reason mentioned by Lex (September 12): "Buy-outs are supposed to end in a profitable exit etc."

Our venture capital group now has experience of investing in a total of 1,000 MBOs and most of them remain as investments in our portfolio. Others have chosen to sell out, or to float, but they are the minority.

Perceptions of MBOs may have been distorted by a relatively small number of high-profile buy-outs designed for a quick exit, but a much more typical scenario (at least in the UK) is that the management team members enjoy their new role as entrepreneurs and intend to continue to develop their companies long-term.

Derek Sach,
Managing Director,
UK Investment,
St Crispin,
91 Waterloo Road, SE1

The RICS Red Book and greater openness by valuers

From Mr Dennis Marler.

Sir, The Royal Institution of Chartered Surveyors (RICS) publishes guidance notes on the valuation of assets, now commonly known as the Red Book, and a new third edition has been published recently. The Red Book includes the procedures to be observed and the practices to be adopted

when carrying out valuations for incorporation in Company Accounts, for flotations and for takeovers and mergers. It has become the recognised handbook for the valuation profession and it provides necessary protection for the investing public. It is also a matter of considerable importance to companies like my own.

The RICS is now taking steps to enforce greater openness by valuers by putting its members a rule change. The new rule will require valuers to state in their valuation certificates whether or not they have complied with the standards laid down in the Red Book and if not to set out clearly the reasons why.

I very much hope that this move will be welcomed by the City and overwhelmingly supported by RICS members at the extraordinary general meeting on October 3. Dennis Marler, Chairman, Capital and Counties, St Andrew's House, 40 Broadway, SW1

PRICE WATERHOUSE
and the FINANCIAL TIMES CONFERENCE ORGANISATION
present:

CAPITAL MARKETS WORKSHOP

17-19 OCTOBER, 21-23 NOVEMBER, 5-7 DECEMBER 1990

This important 3-day workshop will benefit all those responsible for managing capital market activities or providing the vital support services. A structured programme of intensive, practical training will build a thorough understanding of today's volatile markets,

and the implications for operations, risk management and reporting. Speakers will be drawn from Price Waterhouse's Capital Markets Group and a panel of key individuals from organisations involved in capital markets activities including:

Jonathan Britton
Finance Director
Swiss Bank Corporation London

Tony Cooper
Director, Treasury & Capital Markets Trading Division
Hambros Bank Limited

Bob Fuller
Director, Capital Markets
Charterhouse Bank Limited

Ariel Salama
Vice President, Global Risk Management
Bankers Trust International Ltd

Richard Kilsby
Senior Managing Director, Capital Markets
Charterhouse Bank Limited

Richard Hines
Assistant Treasurer & Group Project Manager
Prudential Corporation plc

Price Waterhouse



FT FINANCIAL TIMES CONFERENCE ORGANISATION



Please send me further details on the Capital Markets Workshop

To: Financial Times Conference Organisation, 126 Jermyn Street, London SW1Y 4JU Tel: 071-925 2323 Telex: 27347 FTCONF G Fax: 071-925 2125

NAME	POSITION
COMPANY	ADDRESS
POSTCODE	COUNTRY
TELE	FAX
TYPE OF BUSINESS	

Friday September 21 1990

INTERNATIONAL COMPANIES AND FINANCE

Reichmanns plan \$400m sale of US real estate

By Alan Friedman in New York, Bernard Simon in Toronto and Andrew Bolger in London

MEMBERS of the Reichmann family of Canada, which controls Olympia & York (O&Y), the giant Toronto-based real estate empire, have retained the services of Lazard Frères in New York to sell more than \$400m worth of US commercial real estate.

Mr John Zucotti, president of O&Y USA, yesterday denied that the company itself was making any sales or that it was facing cash flow troubles.

An executive close to the Reichmanns yesterday acknowledged, however, that this was a curious time to be selling US commercial real estate, given the severe slump in the market.

O&Y has been seeking \$500m (\$840m) from selected banks to help refinance the first phase of its Canary Wharf complex in London's Docklands.

So far the development has been financed by the Reichmanns' capital and corporate debt. Mr Zucotti claimed the US disposals "have nothing to do" with O&Y's Canary Wharf development, which has two financing programmes worth \$1.1bn. He said these financing programmes were "in fine shape."

The US real estate sales are being sought by members of the Reichmann family who are minority partners with nearly 20 per cent of several US partnerships held with O&Y.

BANCA Commerciale Italiana (BCI), the leading Italian bank, reports that gross operating profit jumped by almost 20 per cent to £536.7m (£458m) in the first half of this year against £448m in the corresponding period in 1989.

The 1990 figure, which excludes extraordinary gains, stemmed from a 14.5 per cent rise in the bank's interest income to £1,103.7m and an increase of 9.6 per cent in

Among these are minority stakes in a Park Avenue office building and New York's World Financial Centre, which houses American Express, Merrill Lynch and Dow Jones.

The sellers are understood to be second generation members of the Reichmann family, whose three brothers - Paul, Albert and Ralph - control O&Y. Mr Zucotti said the Reichmann family members who are selling are looking for an institutional investor who would replace them, ensure continuity and participate in future as members of the governing committee of O&Y.

O&Y, fully owned by the Reichmann family, releases few details of its holdings or financial performance.

A report by Toronto's Dominion bond rating service last April estimated the value of the family's investments at between C\$8bn (US\$6.9bn) and C\$9bn.

Besides its extensive real estate holdings in North America and Europe, the family controls Abitibi-Price, one of the world's largest newsprint producers, and Gulf Canada Resources, a leading Canadian energy producer.

The Reichmann family is also a leading shareholder and creditor of Campeau Corporation, the ailing Toronto-based real estate and retailing company.

St-Gobain posts flat results at FF4.75bn

By Our Financial Staff

SAINT-Gobain, Europe's biggest glassmaker which earlier this year carried out acquisitions worth about \$2.2bn, yesterday announced flat profits for the first half of 1990.

Earnings growth in the six months was limited by exceptional losses, the company said. Operating profits eased from FF4.75bn (\$966m) to FF4.56bn and attributable net profits were FF2.02bn, against FF2.01bn.

Saint-Gobain said a one-time loss of FF1.76m compared with an exceptional gain of FF95m in the first half of 1989. It said the loss was linked to the disposal of part of its Pont-à-Mousson unit.

Group turnover for the half year totalled FF34.08bn, against FF33.21bn. Over the current six months sales will reflect the first time inclusion of Norton, the US abrasive maker which it acquired for \$2bn.

This deal was quickly followed by the successful takeover of Solaglas, a UK building glass maker, for \$184m.

Air Liquide, the French industrial gases group, reports first-half 1990 attributable net profit of FF1.01bn, against FF903m. Turnover was FF14.35bn, up from FF13.89bn.

Lauritzen slides to DKr162m

PRE-tax earnings at J. Lauritzen, the Danish shipping, shipbuilding and manufacturing group, fell from DKr343m (\$57.5m) to DKr162m in the first half of 1990, while earnings after net financial items fell from DKr209m to DKr142m, writes Hilary Barnes in Copenhagen.

Earnings were hit by the appreciation of the krone against the dollar, the company said.

It forecast a cut in earnings for the full year.

Last year's first-half result included DKr123m from ship disposals, this year there was a DKr2m loss.

Philips ends European venture with AT&T

By Ronald van de Krol in Amsterdam

PHILIPS, the Dutch electronics group, is withdrawing from a six-year European telecommunications joint venture with American Telephone & Telegraph of the US, putting a formal end to the Dutch company's ambitions in the field of switching equipment for national telephone networks.

The company said yesterday that it intended to sell its remaining 15 per cent stake in the Netherlands-based joint venture to AT&T for an undisclosed sum. Analysts estimate that Philips' stake in the joint venture, called AT&T Network Systems International, is worth about \$100m.

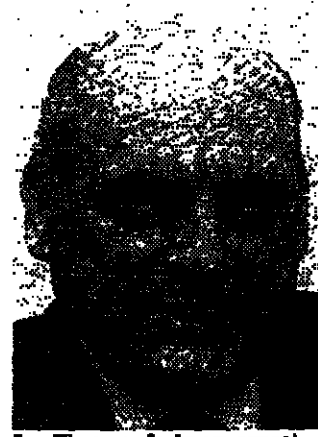
The transaction, which raises AT&T's holding in the venture to 74 per cent from 59 per cent, follows news last week that Telefonica, the Spanish telecommunications com-

pany, is to take a 6 per cent stake in AT&T Network Systems International. The remaining 20 per cent stake is held by Stet, the Italian state-owned electronics and telecommunications group.

The sale marks the final stage of Philips' withdrawal from public switching. Philips, which originally owned half the 50:50 joint venture when it was set up in 1984, reduced its holding to 40 per cent in 1988 and then to 15 per cent in 1989.

The Philips name was dropped from the joint venture's name in 1988, reflecting AT&T's decision to assume day-to-day management.

Yesterday's move had been expected. Philips, which is facing the prospect of large losses in 1990 because of serious problems in its computer and computer-chip operations, had said



Jan Timmer: facing prospect of large losses this year

in the past that it no longer considered public switching to be a high priority. Under the company's new

chairman, Mr Jan Timmer, Philips is reassessing its various businesses and concentrating on those which are most profitable.

A Philips official said the AT&T venture represented just a small part of the Dutch company's telecommunications business. "We remain committed to telecommunications."

Philips' communications division employs 15,000 people. It owns factories in France, West Germany and the UK as well as in the Netherlands.

The joint venture with AT&T, based in the Dutch town of Hilversum, was designed to combine Philips' European marketing expertise with AT&T's technology, enabling Philips to stay at the forefront of public switching without making costly investments in new technology.

The joint company, which made its first profit in 1988, posted a 1989 net profit of FF30m (\$17m) on sales of FF1.3bn.

AT&T Network Systems International said Philips' decision would not affect the company's future European strategy or lead it to abandon the Netherlands, where it has its head office and three operating companies. Commenting on Telefonica's impending acquisition of the company, AT&T said: "Our aim is to broaden and strengthen our base in Europe with partners that are of strategic importance to the company."

AT&T said it wished to retain majority control but would be willing to allow its stake to fall below 74 per cent if additional partners wanted to join.

Cardo may merge batteries unit with Saft

By George Graham in Paris and Robert Taylor in Stockholm

CARDO, the Swedish holding company, said yesterday it was discussing merging its Nife batteries division with Saft, the batteries subsidiary of France's Compagnie Générale d'Electricité (CGE).

Saft confirmed it was holding talks with Nife, but said nothing had yet been signed and that as far as it knew Cardo might be discussing mergers with other candidates.

"Everyone knows that there are critical masses in this industry. Everyone is looking at possible alliances, there is nothing unusual about this," a Saft official said.

A merger would create a large batteries group, since Saft is the world's largest supplier of alkaline batteries, for the consumer sector and for aerospace, railways, communications and data processing purposes.

It is also a leading supplier of lithium, nickel-cadmium and silver-zinc batteries, and is said by Paris stockbrokers to have half the US military battery market.

CGE's lead-acid battery activities are grouped in another subsidiary, Compagnie Européenne d'Accumulateurs (CEAC).

Saft made FF115m (\$21.9m) net profits last year, up 20 per cent from 1988, on turnover 18 per cent higher at FF13.1bn.

Cardo is affiliated to the Volvo motor and industrial group.

Mr Sven-Erik Persson, Cardo's administrative director, said yesterday it would be at least a month before any concrete results were likely to emerge from the talks.

He said the Nife and Saft product programmes complemented each other.

Cardo said it hoped the current negotiations would produce an eventual co-operation

agreement between the two companies.

Cardo is in the midst of a restructuring of Nife's activities with the aim of broadening its product programme and making better use of its worldwide marketing organisation.

Nife is one of the world's leading manufacturers of industrial nickel cadmium batteries. It had sales last year of SKr1.62bn (\$222m) and made a profit (after financial items) of SKr67m.

It accounted for 17 per cent of Cardo's total turnover in 1989.

Delta Dairy rises 25% in first half

By Kerin Hope in Athens

DELTA Dairy, Greece's biggest food company, reported a 25.3 per cent rise in net profit for the first half of 1990, thanks to increased sales of new products and lower operating costs.

Net profit increased to Dr1.6bn (\$11.6m) from Dr1.4bn in the 1989 period. Turnover rose by 36.3 per cent to Dr14.99bn.

The company, which expects to be listed on the Athens Stock Exchange next month, predicted that 1990 net profits would exceed Dr3.5bn on sales of more than Dr30bn.

Delta's public offering consists of a 2.86m share issue in order to raise Dr14.3bn to finance a five-year expansion plan. But completion of the offering has been delayed by a two-week strike by state-controlled Greek banks.

The company, which exports yoghurts to Britain, West Germany and Italy, is seeking to improve markets abroad by 1992 and extend its product range to include more juices and chilled foods.

The expansion plan also calls for modernising Delta's plants around Greece and improving its distribution network.

Cockerill Sambre warns of end to rapid profit growth

By Lucy Kellaway in Brussels

COCKERILL Sambre, the state-controlled Belgian steel company, said yesterday that its rapid growth in profits over the last few years had come to an end and that for the second half of the year results would be lower.

The group, which yesterday announced a 6 per cent drop in turnover for the first half of 1990 to BFr60.1bn (\$1.6bn), said the steel market had started to slow and that the pinch was being felt both in terms of price and volume.

There would also be no more exceptional profits to buoy the results for the rest of the year, which for the first half contributed BFr2.2bn to a total net profit of BFr9.9bn. This compared with BFr7.3bn for the first half of last year.

Cockerill Sambre would make no comment yesterday on the progress of talks with Arbed, its fellow Luxembourg steelmaker, concerning a merger of their flat steel products operations. These talks were due to be completed this

autumn, but appear to have met opposition from Belgian trade unions, which fear job losses.

Consolidated results for the first half were BFr9.9bn in net profit and BFr14.7bn turnover. Consolidated figures for the same period last year were not announced.

● Banque Bruxelles Lambert has raised its capital by BFr6.5bn to almost BFr26bn using a capital gain earned from a revaluation by the bank

of some of its buildings in Belgium.

The bank said it had used a capital gain of BFr6.1bn plus BFr700m from the bank's reserves to raise equity.

BBL also said that Comte Jean-Pierre de Launoit would succeed Mr Gérard Ekenazzi as a vice chairman of the board of directors.

Mr Ekenazzi resigned last week from posts in companies linked to Groupe Bruxelles Lambert. GBL owns 11 per cent of BBL.

NEW ISSUE

This announcement appears as a matter of record only.

20th September, 1990

uniden

—UNIDEN CORPORATION—

U.S. \$120,000,000

5 per cent. Guaranteed Bonds due 1994

with

Warrants

to subscribe for shares of common stock of Uniden Corporation

The Bonds will be unconditionally and irrevocably guaranteed by

The Sanwa Bank, Limited

ISSUE PRICE 100 PER CENT.

Nomura International

Sanwa International plc

Daiwa Europe Limited

Mitsubishi Finance International plc

Sanyo International Limited

Sumitomo Finance International

Bank of Tokyo Capital Markets Group

Banque Bruxelles Lambert S.A.

Banque Indosuez

Barclays de Zoete Wedd Limited

Deutsche Bank Capital Markets Limited

Robert Fleming & Co. Limited

Goldman Sachs International Limited

Kleinwort Benson Limited

Kyokuto Securities (Asia) Limited

Merrill Lynch International Limited

The Nikko Securities Co., (Europe) Ltd.

J. Henry Schroder Wagg & Co. Limited

UBS Phillips & Drew Securities Limited

S.G. Warburg Securities

Yamaichi International (Europe) Limited

N	Ireland	N	Malaysia	N
N	Australia	N	Rep. of Korea	N
N	USA	N	Indonesia	N
N	Singapore	N	The Netherlands	N
N	Neth. Antilles	N	Philippines	N
N	United Kingdom	N		N
N	Greece	N	Hong Kong	N
N	Taiwan R.O.C.	N		N
N	France	N	Suriname	N
N	Spain	N	Canada	N
N	Aruba	N		N
N	Japan	N		N

Nationale-Nederlanden occupies a leading position in international financial services markets, with over 25,000 employees in 21 countries. The activities of the Group comprise insurance, investments and other financial services such as savings schemes and consumer and commercial credit.

Results

A handsome contribution by the operations in the Netherlands and lower development costs in Spain and Japan led to a strong increase of Nationale-Nederlanden's life result in the first six months of 1990. The professional reinsurance and investment results also made good progress. However, the high claims burden from the winter storms in Europe and disappointing results in the London market and in North America caused a sharp decline of the non-life result. As a consequence, total net profit for the first half decreased from Dfls 390 million to Dfls 303 million. Despite the lower net profit, shareholders will receive a higher interim dividend. This amounts to Dfls 1.50 in cash or 2.75% in shares (in 1989 Dfls 1.40 and 2.54% respectively). Since 1 January 1990 total assets have risen from Dfls 92,888 million to Dfls 96,271 million and capital and surplus from Dfls 9,738 million to Dfls 9,891 million.

First six months 1990:
Net profit Dfls 303 million, revenue nearly Dfls 12 billion

Results first six months				
1990	1990	1989	%	
£ M.	US \$ M.	US \$ M.		
2510	Premium income	4376	4625	5
3606	Revenue	6287	6469	3
92	Net profit	161	207	22
£ 0.63	Profit per share	US \$ 1.09	US \$ 1.46	25

Exchange rate: US \$ 1 = £ 0.574

Expectation

The Executive Board expects a net profit for the whole year of approximately Dfls 900 million, compared to Dfls 973 million for 1989.

Further information

The full report for the first six months can be obtained from: Nationale-Nederlanden NV, Johan de Wittlaan 3, 2517 JR The Hague, the Netherlands. Tel: (70)-358 13 20.

Nationale-Nederlanden

INTERNATIONAL COMPANIES AND FINANCE

Trump seeks restructuring of \$245m loan for shuttle

By Nikki Tait in New York

TRUMP Organisation - the deeply-indebted empire of New York-based property developer and casino operator, Mr Donald Trump - is asking its bankers for a further loan restructuring deal weeks after finalising a refinancing package.

The package, which finally cleared all regulatory hurdles last month, involved a further \$55m cash injection by seven banks into the company, and allowed Trump Organisation to defer payments of interest and \$2bn of bank debt. Now the company is asking to have another \$245m loan, arranged as part of the funding for its \$365m purchase of the Trump Shuttle in June 1989, "restructured".

The loan was provided by Citibank, and then syndicated among other lenders. Trump

Organisation has starting talking to the banks involved, and said a meeting with them was planned for Wednesday or Thursday next week. Yesterday, Mr Steve Bollenbach, Mr Trump's recently-appointed finance director, acknowledged that the company had failed to make a payment due during the past few days on the shuttle loan.

He declined to give details of the extent of restructuring requested by Trump Organisation, but claimed the response from the banks so far had been "favourable". He added: "Frankly, nobody's surprised given the way fuel prices have been going." Citibank refused to discuss any views which it, or its syndicate, might have on the restructuring request.

When Trump acquired the shuttle, Citibank provided \$380m in loans - a \$135m per-

sonal line of credit to Mr Trump plus the \$245m facility. Under last month's refinancing package, interest on the personal credit line was deferred, but interest on the \$245m was kept current.

The Trump "business plan," drawn up by accountancy firm Kenneth Leventhal as part of last month's refinancing, does not permit further contributions from Mr Trump to the shuttle. It effectively assumes that the shuttle could become a self-sufficient organisation, able to service the \$245m facility.

Aside from the latest problems on the shuttle debt, Trump Organisation is battling to finance a \$47.3m interest payment due on some casino bonds in November. There is speculation that this might entail a form of debt-for-equity swap.

Pan Am plans 10% reduction in workforce

By Nikki Tait

PAN AM, the large US carrier, plans to cut about 2,500 jobs next month, reducing its total workforce by about 10 per cent.

The move is being accompanied by changes to the US airline's fleet and route structure, designed to reduce the carrier's capacity by 7.5 per cent next year.

The cuts are a further demonstration of the dire conditions prevailing in the US airline industry. US carriers have been hit by rising costs - both on the labour front and, more recently, in fuel prices - and by the problem of passing on these higher expenses to customers in a sector plagued by overcapacity.

In a presentation to airline analysts in New York, Pan Am's chairman, Mr Thomas Plaskett, said about 2,500 jobs of the total 23,000 would go next month. Pan Am later said the cuts would be spread "across the board" with both management and non-management positions affected. However, no pilots' jobs would be lost.

Although the cut is significant, the airline said there was a seasonal element in the figures. About 550 jobs, for example, relate to flight attendants, who may be rehired in the peak period next summer. To scale down capacity, Pan Am is returning five of its 35 Boeing 747 aircraft to the lessor, and replacing them with smaller A310/800 aircraft on certain transatlantic routes. The A310 has 192 seats, compared with 412 on the 747.

The airline is also reducing capacity on its domestic feeder service into New York's JFK airport and shifting capacity into Miami and Latin America, where it enjoys the highest yields and profits.

Overall, about 63 per cent of the group's total capacity should be directed to transatlantic flights next year, with domestic routes accounting for 24.1 per cent and Latin America 22.9 per cent, against 59.3 per cent, 21.8 per cent and 18 per cent respectively in 1988.

Mr Plaskett said Pan Am was currently talking to "several parties" about the sale of its Northeast shuttle and a deal should be tied up by the end of the year, although it would probably not be consummated until early 1991. The company said it was putting the shuttle up for sale in May.

National Semi hit by costs of reorganisation

By Nikki Tait

NATIONAL Semiconductor, the fourth largest semiconductor manufacturer in the US, yesterday reported a \$165.8m loss after tax in its first quarter to the end of August. The loss translates to \$1.63 a share.

The figure, which compares with \$21.9m deficit in the same period a year earlier, comes after restructuring costs of \$143.6m, against a \$2.9m surplus in the same period a year earlier.

Sales rose from \$397.6m to \$442.7m during the first quarter. The profits figure was secured after restructuring costs of \$143.6m, against a \$2.9m surplus in the same period a year earlier.

The company announced last month it was laying off 2,000 workers and warned it expected to take a charge of around \$140m in the three-month period as a result of the restructuring. It also forecast that operating profits would be below expectations.

Yesterday's figures were met by a further 25 cent fall in National Semiconductor's share price to \$4.50. The company said it had been hit by a variety of factors during the quarter, including "a seasonal slowing in shipments."

The restructuring involved National Semiconductor ending its manufacture of high-speed memory chips, used in high performance computers.

U.S. \$150,000,000 Republic New York Corporation

Floating Rate Subordinated Capital Notes due 2009

Notice is hereby given that in respect of the interest period from September 21, 1990 to December 21, 1990 the Notes will carry an interest rate of 8 1/4% per annum. The coupon amount payable on December 21, 1990 will be U.S. \$210.12 per U.S. \$100,000 Note.

By: The Chase Manhattan Bank, N.A. London, Agent Bank September 21, 1990

CVAS INTERNATIONAL LIMITED

Series CVAS 17 U.S. \$50,000,000 Secured Floating Rate Notes due 1993

Interest Rate 8.4175% p.a. Interest Period September 21, 1990 to March 21, 1991. Interest Payable per US\$100,000 Note US\$8.22.

September 21, 1990, London By Citibank, N.A., ICSS Dept. 1, Agent Bank

LMVH up 23% to FF1.25bn

By George Graham in Paris

LMVH Moët Hennessy-Louis Vuitton, the French drinks and luxury goods group, yesterday announced a 23 per cent increase in first-half net profits, and maintained its forecast of 15 per cent profits growth for the full year.

The decline of the dollar and yen, which between them account for a large proportion of LMVH's sales in the Far East and North America, limited turnover to FF1.25bn (\$1.68bn), only 2 per cent up from the same period in 1989.

Currency hedging failed to compensate for this decline at the operating profit level, which fell by 1 per cent to FF2.33bn. At constant exchange rates, group operating profits would have advanced by 25 per cent.

Earnings fell 9 per cent to FF881m at the Louis Vuitton luggage division, despite a 35 per cent increase in sales in Japan and strong development of the new upmarket Cuir Epiline.

Perfumes, affected by the

cost of launching a Christian Lacroix perfume, and of developing its Givenchy skin care products, saw operating profits plunge by 46 per cent to FF1.38bn.

Operating profits from the cognac and spirits division, including Hennessy cognac and LMVH's joint sales ventures with Guinness, rose by 23 per cent to FF1.1bn, as sales continued to grow, especially in the Far East.

The champagne division, including the Moët et Chandon, Mercier and Veuve Clicquot brands, advanced by 8 per cent to FF328m.

A reduction in financing costs and the contribution from LMVH's stake in Guinness - increased earlier this year to 24 per cent - the same level as Guinness's consolidated interest in LMVH - helped net profits to advance by 23 per cent to FF1.25bn.

Financing costs fell to about FF90m, a quarter of last year's, but are expected to rise again in the second half

because of the FF8bn LMVH spent on increasing its Guinness stake.

LMVH's results remain vulnerable to currency movements, with the Far East - including Asian countries with currencies linked to the dollar - accounting for 40 per cent of sales.

Although export earnings are hedged against currency fluctuations, profits from subsidiaries, which account for about two thirds of foreign exchange risks, are not. The group calculates that a 30 cent rise in the yen against the French franc improves its net profits by FF150m.

French financial analysts view the results as respectable, considering the unusual simultaneous decline of the dollar and the yen.

Although the weakness of operating profits caused some concern, analysts said the net result reflected stable factors such as a cut in the group's tax charge, rather than any exceptional items.

Sherritt Gordon board ousted

By Bernard Simon in Toronto

A SMALL group of dissident shareholders has succeeded in ousting the directors of Canadian fertilizer and nickel producer Sherritt Gordon after a protracted dispute over the direction of the company.

The action against Sherritt is believed to be the first time that minority shareholders have succeeded in voting out the board of a Canadian public company.

A motion to remove the existing board drew 53.1 per cent of shareholders' votes at a special meeting in Toronto. The meeting was forced on Sherritt by the rebel group, led by three Toronto business executives including Mr Ian Delaney, a former president of Merrill Lynch Canada, and Mr Eric Sprott, president of a

Toronto securities boutique.

Mr Delaney will take over as Sherritt's chairman and chief executive.

It comes when Canadian institutional investors are taking a more active interest in companies in which they own shares, and is bound to make the directors and managers of other companies more sensitive to shareholder criticism.

Canada Sherritt Enterprises, a company controlled by the three dissidents, asked for the special meeting in July after building up a stake in Sherritt of just more than 5 per cent.

Until 1988, Sherritt was controlled by the US mining group Newmont Mining. Its earnings tumbled by 88 per cent in the first six months of this year to C\$4.1m (US\$3.5m) on revenues

of C\$195.5m. Sherritt complained about mediocre returns to shareholders, blaming poor management, including the absence of an effective fertilizer marketing system and difficulties in securing raw material for Sherritt's nickel refinery in Alberta.

It argued that institutional shareholders were unhappy about Sherritt's erratic earnings, its low share price and that management owned few shares in the company.

The previous management rejected the allegations. At the meeting, chief executive Mr Charles Heinrich said Sherritt suggestions had been considered. However, he rejected them as "impractical, unwarranted and possibly dangerous to the future of Sherritt."

The Republic of Venezuela

Notice of Meeting

To the holders of the
U.S. \$167,000,000
Floating Rate Notes Due 2003
of
The Republic of Venezuela

NOTICE IS HEREBY GIVEN in accordance with the provisions of the Fiscal Agency Agreement dated 22nd December, 1988 and made between The Republic of Venezuela (the "Republic"), The Chase Manhattan Bank, N.A. (the "Fiscal Agent") and others (the "Fiscal Agency Agreement") relating to the above mentioned Notes (the "Notes") that a Meeting (the "Meeting") of the holders (the "Noteholders") of the Notes is convened by the Republic and will be held at 11:00 a.m. on 12th October, 1990 at the offices of Slaughter and May at 16 Coleman Street, London EC2C 2JF (or, if later, immediately after the conclusion of the meeting of holders of U.S. \$167,000,000 Floating Rate Notes Due 1998 issued by the Republic convened for 10:30 a.m. on the same date and at the same location) for the purpose of considering and, if thought fit, passing the resolution set out below which will be proposed as an Extraordinary Resolution.

The purpose of the Extraordinary Resolution is to permit the implementation of the Financing Plan referred to below. Details of the background to, and the reasons for, the proposed Extraordinary Resolution are contained in the Explanatory Statement referred to below, copies of which are available for collection by Noteholders at the specified offices of the Fiscal Agent and the other Paying Agents (together, the "Agents"), the addressees of which are stated below.

The resolution to be proposed at the Meeting is as follows:-

EXTRAORDINARY RESOLUTION

"THAT this meeting of the holders of the U.S. \$167,000,000 Floating Rate Notes Due 2003 (the "Notes") of The Republic of Venezuela (the "Republic"), issued pursuant to a Fiscal Agency Agreement (the "Fiscal Agency Agreement") dated 22nd December, 1988 and made between the Republic, The Chase Manhattan Bank, N.A. and others, hereby:-

(i) irrevocably waives the provisions of the Terms and Conditions (the "Conditions") of the Notes which (a) require in Condition 7 that the obligations of the Republic under the Notes will rank at all times at least *pari passu* in priority of payment, in right of security and in all other respects with all other Debt (as defined in Condition 7) of the Republic, (b) require in Condition 7 that if any Security Interest (as defined in Condition 7) is created to secure External Indebtedness (as defined in Condition 7), the Republic will cause such Security Interest equally and ratably to secure its obligations under the Notes, or (c) result in an Event of Default (as defined in the Conditions), to the extent necessary to permit (and accordingly such provisions shall not apply to) the creation of Security Interests securing or providing for the payment of the Discount Bonds, Par Bonds, Interest Reduction Bonds and Short-term Notes (all as defined in the Explanatory Statement dated 14th August, 1990 of the Republic relating to the Notes (the "Explanatory Statement")) to the extent set forth in the Republic of Venezuela 1990 Financing Plan dated 25th June, 1990 (together with the related documentation therefor, and as amended or modified in accordance with the terms of such documentation, the "Financing Plan"); and further irrevocably waives any other provision (if any) of the Conditions including any Event of Default (and accordingly such provision shall not apply) solely to the extent that such provision would apply to, conflict with, impede, be inconsistent with, or require the Republic, Banco Central de Venezuela or any National Governmental Agency (as defined in the Conditions) to take any action as a result of, the creation of the Security Interests referred to above and the issuance of any of the bonds and notes contemplated by the Financing Plan and as described in the Explanatory Statement;

(ii) sanctions every modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the holders of the Notes and/or the holders of the coupons appertaining thereto against the Republic involved in or resulting from the passing of this Resolution; and

(iii) authorizes the parties to the Fiscal Agency Agreement to execute all such documents and to do all such other acts and things, in each case, as may be necessary to carry out and give effect to this Extraordinary Resolution.

The attention of Noteholders is particularly drawn to the quorum required for the Meeting and for an Adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

VOTING AND QUORUM

1. A holder of Notes in bearer form ("Bearer Notes") wishing to attend and vote at the Meeting in person must produce at the Meeting either the Bearer Notes, or one or more valid voting certificates issued by one of the Agents relating to the Bearer Notes, in respect of which he wishes to vote.

A holder of Bearer Notes not wishing to attend and vote at the Meeting in person may deliver his Bearer Notes or voting certificates to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Agents, the addressees of which are set out below) instructing an Agent to appoint a proxy to attend and vote at the Meeting in accordance with the voting instruction.

Bearer Notes may be deposited with the Fiscal Agent or any of the other Agents for the purpose of obtaining voting certificates or appointing proxies at any time until 48 hours before the time fixed for the Meeting, but not thereafter. For this purpose, Bearer Notes held in the Euroclear Clearance System in a "pooled" account or by CEDEL S.A. in a blocked internal account, notice of which has been given by the Euroclear Operator or, as the case may be, CEDEL S.A. to the Fiscal Agent, will be treated as though such Bearer Notes had been deposited with the Fiscal Agent. Voting instructions and instructions to issue voting certificates will in such circumstances be given to the Fiscal Agent by the Euroclear Operator or, as the case may be, CEDEL S.A. Bearer Notes so deposited or held will be released at the conclusion of the Meeting (or, if applicable, any adjournment of the Meeting for which voting certificates and instructions will be valid) or upon the surrender to the Agent which issued the same of the voting certificates or, being not less than 48 hours before the time for which the Meeting (or, if applicable, any adjournment of the Meeting) is convened, upon the surrender of the voting instruction receipts issued in respect thereof and notice of such surrender being given by such Agent to the Republic.

2. The quorum required at the Meeting consists of two or more persons present in person (not being the Republic, Banco Central de Venezuela or any National Governmental Agency) holding Notes or voting certificates or being proxies and being or representing in the aggregate a clear majority in principal amount of the Notes for the time being outstanding and not held by or on behalf of the Republic, Banco Central de Venezuela or any National Governmental Agency as beneficial owner. If within half-an-hour from the time appointed for the Meeting a quorum is not present, the Meeting will be adjourned for such period, not being less than twenty-one days nor more than forty-two days, and to such time and place, as may be appointed by the Chairman of the Meeting. At least fourteen days' notice of an adjournment of the Meeting will be given. The quorum at an adjournment of the Meeting will be two or more persons being or representing Noteholders whose principal amount of the Notes so held or represented, who shall have the power to pass the Extraordinary Resolution and to decide upon all matters which could properly have been dealt with at the Meeting from which the adjournment took place should a quorum have been present at such Meeting.

3. Every question submitted to the Meeting or the adjourned Meeting will be decided by a show of hands unless a poll is demanded by the Chairman of the Meeting or by the Republic or by one or more persons holding one or more Notes or voting certificates or being proxies and being or representing in the aggregate the holders of not less than two per cent of the principal amount of the Notes then outstanding and not held by or on behalf of the Republic, Banco Central de Venezuela or any National Governmental Agency as beneficial owner. On a show of hands every person who is present in person and produces a Bearer Note or voting certificate or is a proxy shall have one vote. On a poll every person who is so present shall have one vote in respect of each U.S. \$10,000 principal amount of Notes so produced or represented by the voting certificate so produced or in respect of which he is a proxy. No votes may be exercised in respect of Notes held by or for the account of the Republic, Banco Central de Venezuela or any National Governmental Agency. On a show of hands a declaration by the Chairman of the Meeting that a resolution has been carried or carried by a particular majority or lost or not carried by any particular majority will be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

4. To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than two-thirds of the persons voting thereon or, if a poll is duly demanded, by a majority consisting of not less than two-thirds of the votes cast on such poll. If passed, the Extraordinary Resolution will be binding upon all the Noteholders, whether present or not at the Meeting, and upon all the holders of the coupons appertaining thereto (the "Couponholders"), and each of the Noteholders and Couponholders will be bound to give effect thereto accordingly.

AVAILABILITY OF DOCUMENTS

Copies of the Fiscal Agency Agreement (together with the Banco Central Undertaking and the Agent Bank Agreement referred to therein) and the Financing Plan referred to above may be inspected, and voting instruction forms, voting certificates and copies of the Explanatory Statement may be obtained, by Noteholders at or from the specified offices of the Fiscal Agent and the other Paying Agents, the addressees of which are set out below.

FISCAL AGENT AND PRINCIPAL PAYING AGENT

The Chase Manhattan Bank, N.A., Woolgate House, Coleman Street, London EC2P 2HD

PAYING AGENTS

Banque Bruxelles Lambert S.A., 24 Avenue Marnix, B-1050 Brussels
Chase Manhattan Bank (Switzerland), 63 Rue du Rhône, CH-1204 Geneva
Chase Manhattan Bank Luxembourg S.A., 5 Rue Plessier, L-2338 Luxembourg-Grand, Luxembourg

Dated 20th September, 1990

The Chase Manhattan Bank, N.A. for and on behalf of the Republic of Venezuela

THIS NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISOR.

New Issue

September 20, 1990

COPYER
COPYER CO., LTD.

Tokyo, Japan

DM 70,000,000
5 1/4 % Bearer Bonds of 1990/1994
with Warrants

to subscribe for shares of common stock of
COPYER CO., LTD.

The Bonds are irrevocably and unconditionally guaranteed by

THE SUMITOMO BANK, LIMITED

Tokyo, Japan

Bayerische Vereinsbank
Aktiengesellschaft

Daiwa Europe (Deutschland) GmbH

Sumitomo Bank (Deutschland) GmbH

Amro Handelsbank
Aktiengesellschaft

Deutsche Bank
Aktiengesellschaft

DG BANK
Deutsche Genossenschaftsbank

Dongsuh Securities Co., Ltd.

Dresdner Bank
Aktiengesellschaft

Fuji Bank (Deutschland)
Aktiengesellschaft

Industriebank von Japan (Deutschland)
Aktiengesellschaft

Meiko Europe
Limited

Sumitomo Trust and Banking (Deutschland) AG

Universal (U.K.)
Limited

Vereins- und Westbank
Aktiengesellschaft

Yamaichi International (Deutschland) GmbH

This announcement appears as a matter of record only. The Bonds have not been registered for offer or sale in the United States of America and may not be offered or sold in the United States of America or to nationals or residents thereof or to other U.S. persons.

This announcement appears as a matter of record only.



THE EXPORT-IMPORT BANK OF KOREA

Incorporated in the Republic of Korea

U.S.\$100,000,000

Floating Rate Notes due 1997

Lead Managers

LTCB ASIA LIMITED

GOLDMAN SACHS INTERNATIONAL LIMITED

Co-Lead Manager

KEXIM ASIA LIMITED

Co-Managers

BANQUE BRUXELLES LAMBERT S.A.

BANKERS TRUST INTERNATIONAL LIMITED

DG BANK DEUTSCHE GENOSSENSCHAFTSBANK

FIRST CHICAGO LIMITED

ISTITUTO BANCARIO SAN PAOLO DI TORINO

KEB (ASIA) FINANCE LIMITED

KLEINWORT BENSON LIMITED

MERRILL LYNCH INTERNATIONAL LIMITED

MITSUBISHI FINANCE (HONG KONG) LIMITED

NATWEST CAPITAL MARKETS LIMITED

SANWA INTERNATIONAL FINANCE LIMITED

SWISS BANK CORPORATION

WESTDEUTSCHE LANDESBANK GIRONZENTRALE

YAMAICHI INTERNATIONAL (EUROPE) LIMITED

Agent Bank

LTCB ASIA LIMITED

September 1990

Dairy Farm

Interim Report Highlights 1990

- Profit after taxation +18%
- Earnings per share +18%
- Dividend per share +17%
- Acquisitions - 169 outlets acquired in Spain and New Zealand
- Operations
 - Asia - Further growth in Hong Kong
 - Maxim's profit ahead of 1989
 - 21 supermarkets now open in Taiwan
 - Australia - Market share and profit increased
 - UK - Kwik Save interim profit up 12%

"The Company's principal subsidiaries and associates continue to have good growth prospects and the outlook for the remainder of the year is encouraging."

SIMON KESWICK, Chairman
20th September 1990

HALF-YEAR RESULTS

	1990 30th June	1989 31st December	1989 31st December
	US\$ million	US\$ million	US\$ million
Turnover	1,395.1	1,179.7	2,578.3
Operating profit	54.6	47.9	128.2
Share of profits less losses of associates	24.0	20.4	43.7
Profit before taxation	78.6	68.3	171.9
Taxation	(13.8)	(13.3)	(33.8)
- Company and subsidiaries	(7.0)	(5.2)	(12.5)
- Associates	(6.8)	(8.1)	(21.3)
Profit after taxation	64.8	55.0	138.1
Minority interests	0.2	-	0.3
Profit after taxation and minority interests	65.0	55.0	138.4
Profit attributable to Ordinary Shareholders	58.0	49.1	125.9
Ordinary dividends	(22.1)	(16.1)	(60.0)
Transfer to reserves	35.9	26.4	64.5
Earnings per ordinary share			
- Basic	3.55	3.11	8.14
- Fully diluted	3.55	3.01	7.71
Dividends per ordinary share	1.36	1.15	3.84

Dairy Farm International Holdings Limited
Incorporated in Bermuda with limited liability

A member of the Jardine Matheson Group

Cr	V	Au	Pt	Ir	Os	As	Pd	Rh	Ru	Cd	Co	Ni	H
Mn													W
Fe													Pb
Co													Li
Ni													Na
Cu													Mg
Zn													Al
Nb													Si
Mo													P
Sn													K
Ta													Cr

"While considerable progress has been made during the year in implementing Minorco's strategy, major challenges and opportunities, in regard both to existing investments and new acquisitions, will be faced during the coming year. With its substantial cash resources, strengthened management and clear strategic purpose, Minorco is well placed to meet these challenges."

Julian Ogilvie Thompson
Chairman

MINORCO

THE YEAR IN BRIEF

- In August 1989 Minorco disposed of its holding in Consolidated Gold Fields for US\$1.6 billion.
- In March 1990 Minorco acquired for US\$705 million, through a public tender offer, a major US gold producer since renamed Independence Mining Company.
- Earnings from operations again reached record levels (40% increase) while earnings before extraordinary items were 18% lower than the previous year's record levels. Net extraordinary gains were US\$555 million.
- Dividend increased by 14%.
- Minorco has net cash resources of US\$1.8 billion equivalent to US\$10.42 per share.

PRELIMINARY ANNOUNCEMENT OF RESULTS FOR THE YEAR TO JUNE 30, 1990

US\$ millions except per share amounts	1990	1989
Earnings from operations	220.0	157.3
Earnings before extraordinary items	229.2	280.0
Earnings after extraordinary items	784.4	280.1
Earnings from operations per share (\$)	1.30	0.92
Earnings before extraordinary items per share (\$)	1.35	1.64
Dividends declared per share (\$)	0.48*	0.42

*Recommended by directors and subject to shareholders' approval

FINAL DIVIDEND

The proposed final dividend for the year to June 30, 1990 of 32 US cents is payable on November 13, 1990 to shareholders of record on October 12, 1990. The annual report will be mailed to shareholders on or about October 9, 1990. Copies may be obtained from the UK transfer agent: Barclays Registrars Limited, Bourne House, 34 Beckenham Road, Beckenham, Kent BR3 4TU.

Minorco Société Anonyme, Luxembourg, September 20, 1990.

INTERNATIONAL COMPANIES AND FINANCE

Minorco to regroup industrial arms

By Kenneth Gooding, Mining Correspondent

MINORCO, the Luxembourg-quoted offshoot of the Anglo American Corporation of South Africa, yesterday said it would reshuffle extensively its portfolio of industrial interests in the coming year as part of its intended transformation into a hands-on, operational, natural resources group.

The company also reported that net earnings for the year to June 30 increased to US\$784.4m from \$280.1m after taking account of extraordinary net gains of \$555.2m.

Mr Tony Lea and Mr Roger Phillimore, joint managing directors, said Minorco's main investments would be either sold or taken into complete control as part of the strategy.

Minorco's quoted investments include Adobe Resources, a US oil and gas producer (49 per cent owned); Charter Consolidated, a UK industrial company (36 per cent owned); Engelhard Corporation, a US specialty chemicals and precious metals group (30 per cent owned); and Inspiration Resources, a diversified North American natural resources group (36 per cent owned).

Last September Minorco collected \$1.5bn cash for its shareholding in Consolidated Gold Fields of the UK, sold to the Hanson group.

In March Minorco paid \$705m for Freeport McMoRan Gold, subsequently renamed

Independence Mining Company. Although Minorco still has net cash resources of \$1.8bn, Mr Lea pointed out that this was not enough to mop up the outstanding shares in the quoted companies. He described the recent performances of Adobe and Inspiration as "lousy".

Minorco had no intention of buying another large gold producer at a big premium, but might "boil on" more properties or small companies to Independence's operations.

Independence's gold output since acquisition had been 73,183 ounces, produced at an average cash cost of \$182 an ounce and sold at an average

of \$365. The company's current annual rate of output was 300,000 ounces. Within two or three years Minorco intended to build this to 500,000.

Minorco's earnings from operations in the year to the end of June rose to \$220m from \$157.3m. Earnings before extraordinary items were down to \$229.2m from \$280.1m.

Extraordinary net gains of \$555.2m compared with \$104.0m comprised a net gain from the Gold Fields disposal reduced by Minorco's share of a \$160m after-tax restructuring charge at Engelhard.

Minorco intends to increase its dividend for the year by 14 per cent to 48 cents a share, up from 42 cents.

Europe forms teams for space race

Paul Betts on how industry is preparing to meet the US challenge

THE European space industry is reorganising itself around two groups in an effort to strengthen Europe's competitive chances in the fast-growing world space market. But the principal European companies involved are adopting differing approaches to consolidation.

In France, which remains the fulcrum of European space activity, the state-owned Aero-spaciale aerospace company and the privatised Compagnie Générale d'Electricité/Alcatel group are taking an essentially national approach by integrating their space operations into one group.

However, Matra, the other French privatised company active in the sector, has opted for a transnational approach by teaming up with GEC-Marconi of the UK. Nine months after agreeing to pool their space operations, the two companies have constituted a jointly-held space company called Matra Marconi Space (MMS).

Matra and Marconi are now seeking to attract other European partners with space interests, such as British Aerospace and Deutsche Aerospace, into their group.

Most of these companies are concentrating their efforts on defence and commercial satellites. They are also working on a number of programmes co-ordinated by the 13-nation European Space Agency, such as developments of the Ariane



Claude Goumy: Europe can only afford two space groups

satellite launcher and plans for an international staffed space station.

European companies have long co-operated on space projects, but are now attempting to concentrate the ways they collaborate to become more competitive against the large US companies in this field, such as Hughes Aircraft, Lockheed and General Electric.

Matra already has close links with BAe in the space field and has been building up a close relationship with Deutsche Aerospace, explains Mr Claude Goumy, the managing director of MMS.

"We would clearly like to bring into our partnership BAe

and the Germans," he says.

"Europe's space industry is not sufficiently competitive on a world scale. We have to join forces to grow and face the US competition. Europe can only afford two space teams. The problem is whether one group will become the Trojan Horse in Europe for the US industry," Mr Goumy adds.

Mr Dick Evans, BAe's chief executive, agrees that the trend in the European space business is towards consolidation around two principal groups of companies. But he says that BAe, which regards space and communications as an important part of its strategy to broaden and diversify

its overall business base, has not yet opted for any camp. BAe is clearly interested in the Matra-Marconi partnership, but it is also considering a possible alliance with a US partner.

Opportunities for satellite and space systems contractors are expected to grow in Europe as a result of the deregulation of telecommunications, forecasts Mr Goumy.

He also thinks that government business will continue to expand, especially in the fields of surveillance and verification satellites and environmental observation satellites.

However, the defence business is becoming increasingly tough because of more severe procurement policies.

"We must be able to propose good joint industrial approaches to meet the developing co-operation in defence procurement between French and British ministries of defence," Mr Goumy says.

MMS expects to see its annual sales grow from about \$400m this year to \$500m (\$1.1bn) by 1995. The joint company's order backlog totals \$850m.

Both Matra and Marconi envisage expanding their joint company's activities into the service side of the business. "We don't just want to be satellite builders, but also carriers and communications service providers," Mr Goumy says.

Dairy Farm's profits up 18%

By Angus Foster in Hong Kong

HONG KONG'S Dairy Farm International, the retailing and supermarkets arm of the Jardine Matheson group, yesterday reported an 18 per cent rise in net interim profits and said the outlook for the rest of the year was encouraging.

Dairy Farm said profits after tax in the six months to the end of June grew to US\$58m from \$49.1m last time. A forced conversion of preference dividends last year meant no preference dividends were payable and lifted profits attributable to ordinary shareholders by 36 per cent.

Group sales also rose 18 per cent to \$1.39bn. Dairy Farm declared an interim dividend of 1.35 cents a share, an improvement of 17 per cent on last time.

In June and July Dairy Farm paid a total of \$290m for the

Spanish retailing chain Simago and New Zealand's leading supermarket chain Woolworths (NZ). These acquisitions did not affect earnings.

The profits were in line with market expectations and contrasted with other leading Hong Kong companies which have recently announced disappointing results. Weaker economies in Dairy Farm's main markets and costs associated with acquisitions and expansion plans are likely to constrain full-year profits growth to about 20 per cent, compared to a 34 per cent increase last time.

Mr Simon Keswick, chairman, said results in the company's three main markets of Australia, Hong Kong and the UK all improved.

He said the Franklins chain in Australia, the third largest

in the country, reported increased profitability and market share, in spite of a series of strikes this year. Kwik Save in the UK, in which Dairy Farm holds a 26 per cent stake, reported a 12 per cent increase in interim profits in March.

Mr Keswick said the company's Wellcome, Mannings and 7-Eleven chains in Hong Kong all reported "good profits growth". Wellcome, Hong Kong's largest supermarket chain, performed well, in spite of high rentals and labour shortages.

Wellcome's drive into Taiwan continued and the company now operates 23 stores on the island.

Dairy Farm's Hong Kong restaurant business slowed in line with a weaker Hong Kong economy.

Murdoch group plans capital restructuring

NEWS CORP. Mr Rupert Murdoch's global media group, yesterday announced it was to restructure its authorised capital. Reuters reports from Sydney.

Mr Richard Searby, Chairman, said: "There has been a series of discussions with the Australian Stock Exchange regarding the structure of the company's authorised capital, and an announcement of the proposed changes will be made next week."

He said News Corp was not proposing to raise cash through a share issue. News Corp gave no other details about the proposed changes.

Mr Keith Brodie, company secretary, said the group had put back its annual general meeting by seven days to October 23.

Standard Chartered

Standard Chartered PLC

(Incorporated with limited liability in England)

£300,000,000
Undated Primary Capital Floating Rate Notes
of which £150,000,000
comprises the Initial Tranche.

In accordance with the Terms and Conditions of the Notes, notice is hereby given that for the three months period (91 days) from 20th September, to 20th December, 1990, the Notes will carry an Interest Rate of 15 1/4 per cent per annum.

The interest payment date will be 20th December, 1990. Coupon No. 22 will therefore be payable on 20th December, 1990 at £1,895.45 per coupon from Notes of £50,000 nominal and £189.55 per coupon from Notes of £5,000 nominal.

J. Henry Schroder Wagg & Co. Limited
Agent Bank

U.S.\$200,000,000

J.P. Morgan & Co. Incorporated
Floating Rate Subordinated Capital Notes
Due December 1997

Notice is hereby given that the Rate of Interest has been fixed at 8.2375% and that the interest payable on the relevant Interest Payment Date December 21, 1990 against coupon No. 19 in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$208.23 and in respect of U.S.\$250,000 nominal of the Notes will be U.S.\$5,205.64.

September 21, 1990, London
By: Citibank, N.A. (CSTL Dept.), Agent Bank

CITIBANK

U.S. \$150,000,000

Financière CSFB N.V.

Junior Guaranteed
Undated Floating Rate Notes

Guaranteed on a subordinated basis
as to payment of principal and interest by

**Financière
Crédit Suisse-First Boston**

**FINANCIERE
CSFB**

Interest Rate 8 1/4% per annum
Interest Period 21st September 1990
21st December 1990
Interest Amount due
21st December 1990
per U.S. \$ 5,000 Note U.S. \$ 105.06
per U.S. \$100,000 Note U.S. \$2,101.22

Credit Suisse First Boston Limited
Agent Bank

RIGGS NATIONAL CORPORATION

US \$100,000,000

FLOATING RATE SUBORDINATED NOTES DUE 1996
In accordance with the provisions of the Notes, notice is hereby given that for the period 20 September 1990 to 20 December 1990 the Notes will carry a rate of interest of 8 1/4% per annum with a coupon amount of US\$211.70.

CHEMICAL BANK
As Agent Bank

RIGGS NATIONAL CORPORATION

US \$50,000,000

FLOATING RATE SUBORDINATED NOTES DUE 1996
In accordance with the provisions of the Notes, notice is hereby given that for the period 20 September 1990 to 20 December 1990 the Notes will carry a rate of interest of 8 1/4% per annum with a coupon amount of US\$211.70.

CHEMICAL BANK
As Agent Bank

German investors snap up floating-rate DM300m deal

month Labor and are targeted at a group of Japanese investors, although the lead manager reported additional interest from European investors. Finnish financial institution Skopbank offered a Y5bn 10-year issue via NKK (Europe). The bonds carry a coupon paid in yen but fixed according to the Australian dollar rate.

issue, launched by Crédit Lyonnais. The new paper offered a yield pick-up of about

20 basis points over the original offering and the lead manager reported steady demand from European fund managers switching defensively into shorter-dated paper. The deal was bid at less 1.35 bid, just inside full fees of 1% points.

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Aradon Ltd.(a)(c)◆	100	(5½)	100	1994	24½/15	New Japan Secs.
Mitsubishi Bk(c)◆	900	(c)	100	2000	30/15bp	Mitsubishi Fin.Int.
D-MARKS						
Prov. of Saxatchewan(b)†	400	(b)	100	1997	35/17.5bp	CSFB Effectenbank
SWISS FRANCES						
Houtoku Co.(d)(e)◆	25	4½	100	1995	-	Nomura Bk (Swiss)
FRENCH FRANCES						
Fin.Insance Cr.Nat(e)◆	500	10¼	100¼	1993	1½/½	OCF
ECUs						
Credit Local de France(f)◆	100	10¾	100¾	1993	1½/½	Credit Lyonnais
YEN						
British Airports Fin.(g)(h)◆	15bn	(g)	100	1998	25/15bp	Dahwa Europe
Shopbank(h)◆	5bn	(h)	95%	2000	1¼/1½	NKK Europe

◆Private placement. †Convertible. ‡Floating rate note. §With equity warrants. ◆Final terms. (a) Non-callable. (b) Coupon 3-month Libor plus 25bp. Non-callable. (c) Issue launched 10/90. Amount raised from \$200mm. Issue in form of Loan Participation Certs. Issued via Salomon Bros.AG. Coupon pays 3-month Libor plus 25bp for first 5 years, then 3-month Libor plus 35bp thereafter. Callable after 5 years on each coupon payment date at par. (d) Put option 31/5/93 at 110¼% of yield 6.65%. (e) Fully fungible with existing Frt.5bn deal from 22/10/90. (f) Fully fungible with existing Ecu125mm deal from 10/90. (g) First coupon pays 3-month Libor, then 5-month Libor plus 15bp thereafter. Callable at par on 25/1/94. (h) Dual currency issue. Coupon will be fixed according to Australian dollar rate, 2 days prior to coupon date.

Mr John J. Mack, head of Morgan Stanley's fixed income operations, commented that the new unit would allow the bank to work with governments across the range of investment banking, asset management and secondary market activities.

Eaton Vance said the programme would provide low-cost funds to "efficiently manage the unpredictable cash flows associated with a portfolio of bank loan interests."

publicly traded bond and note issues.

Mr Köhler drew attention to the consequences for world capital markets of the fall in West Germany's current account deficit, which is running at levels roughly 20 per cent below last year's figures.

West Germany could not be blamed for cutting capital exports to the rest of the world, since the reduction of the current account surplus - last year a record DM14bn - had long been demanded internationally, Mr Köhler pointed out.

MALAYSIA'S first Yankee bond issue, a \$200m deal via Salomon Brothers, allows it to tap a fresh investor base. Malaysia first tapped the Euro-bond market last year.

It is a market which Salomon Brothers believes will develop, although only a fraction of an already-limited base of Yankee bond investors will

buy such debt. One European and several Asian countries, as well as some government-sponsored agencies, all rated below Double-A are looking at

Although Malaysia has issued debt in Europe and the Far East, it has tended to be held by financial institutions which asset-swap the paper. Investors in Yankee bonds, on the other hand, are US fund managers. A further incentive to tap the sector is its capacity

Malaysia's 10-year deal, priced late on Wednesday, carries a 9% per cent coupon to yield 115 basis points more than 10-year Treasury notes.

	Rises	Falls
--	-------	-------

U.S. Government Securities	52	1
U.S. Corporate and Foreign Bonds	5	
Real Estate	132	826
Other Properties	78	414
Other Investments	26	34
Other Assets	0	
Other Liabilities	49	24
Other	83	63
	<hr/> 425	<hr/> 1,370

ES

Account Number	1990 Date	Stock	Close/ Price	Net Int	Div
131	101	ARI Leases 100	101 1/4	-	N4.7
40	101	Sealed & Cossiga Ws	40 1/4		
49	33	Exp Co of Louisiana Ws	49 1/4		
50	33	Flolan Energy 100	50 1/4		
51	33	Chew Bros 100	51 1/4		
75	43	Colony Vale 100	75 1/4		
76	43	IF Fidelity Ind. Wz	76 1/4		
134	125	Colony Ind Tr 100	134 1/4		
135	125	Da. Warrants	135 1/4		
136	125	Local Ind Warrants	136 1/4		
22	12	30MM 100	22 1/4		
23	12	30MM 100	23 1/4		
24	12	30MM 100	24 1/4		
25	12	30MM 100	25 1/4		
26	12	30MM 100	26 1/4		
27	12	30MM 100	27 1/4		
28	12	30MM 100	28 1/4		
29	12	30MM 100	29 1/4		
30	12	30MM 100	30 1/4		
31	12	30MM 100	31 1/4		
32	12	30MM 100	32 1/4		
33	12	30MM 100	33 1/4		
34	12	30MM 100	34 1/4		
35	12	30MM 100	35 1/4		
36	12	30MM 100	36 1/4		
37	12	30MM 100	37 1/4		
38	12	30MM 100	38 1/4		
39	12	30MM 100	39 1/4		
40	12	30MM 100	40 1/4		
41	12	30MM 100	41 1/4		
42	12	30MM 100	42 1/4		
43	12	30MM 100	43 1/4		
44	12	30MM 100	44 1/4		
45	12	30MM 100	45 1/4		
46	12	30MM 100	46 1/4		
47	12	30MM 100	47 1/4		
48	12	30MM 100	48 1/4		
49	12	30MM 100	49 1/4		
50	12	30MM 100	50 1/4		
51	12	30MM 100	51 1/4		
52	12	30MM 100	52 1/4		
53	12	30MM 100	53 1/4		
54	12	30MM 100	54 1/4		
55	12	30MM 100	55 1/4		
56	12	30MM 100	56 1/4		
57	12	30MM 100	57 1/4		
58	12	30MM 100	58 1/4		
59	12	30MM 100	59 1/4		
60	12	30MM 100	60 1/4		
61	12	30MM 100	61 1/4		
62	12	30MM 100	62 1/4		
63	12	30MM 100	63 1/4		
64	12	30MM 100	64 1/4		
65	12	30MM 100	65 1/4		
66	12	30MM 100	66 1/4		
67	12	30MM 100	67 1/4		
68	12	30MM 100	68 1/4		
69	12	30MM 100	69 1/4		
70	12	30MM 100	70 1/4		
71	12	30MM 100	71 1/4		
72	12	30MM 100	72 1/4		
73	12	30MM 100	73 1/4		
74	12	30MM 100	74 1/4		
75	12	30MM 100	75 1/4		
76	12	30MM 100	76 1/4		
77	12	30MM 100	77 1/4		
78	12	30MM 100	78 1/4		
79	12	30MM 100	79 1/4		
80	12	30MM 100	80 1/4		
81	12	30MM 100	81 1/4		
82	12	30MM 100	82 1/4		
83	12	30MM 100	83 1/4		
84	12	30MM 100	84 1/4		
85	12	30MM 100	85 1/4		
86	12	30MM 100	86 1/4		
87	12	30MM 100	87 1/4		
88	12	30MM 100	88 1/4		
89	12	30MM 100	89 1/4		
90	12	30MM 100	90 1/4		
91	12	30MM 100	91 1/4		
92	12	30MM 100	92 1/4		
93	12	30MM 100	93 1/4		
94	12	30MM 100	94 1/4		
95	12	30MM 100	95 1/4		
96	12	30MM 100	96 1/4		
97	12	30MM 100	97 1/4		
98	12	30MM 100	98 1/4		
99	12	30MM 100	99 1/4		
100	12	30MM 100	100 1/4		
101	12	30MM 100	101 1/4		
102	12	30MM 100	102 1/4		
103	12	30MM 100	103 1/4		
104	12	30MM 100	104 1/4		
105	12	30MM 100	105 1/4		
106	12	30MM 100	106 1/4		
107	12	30MM 100	107 1/4		
108	12	30MM 100	108 1/4		
109	12	30MM 100	109 1/4		
110	12	30MM 100	110 1/4		
111	12	30MM 100	111 1/4		
112	12	30MM 100	112 1/4		
113	12	30MM 100	113 1/4		
114	12	30MM 100	114 1/4		
115	12	30MM 100	115 1/4		
116	12	30MM 100	116 1/4		
117	12	30MM 100	117 1/4		
118	12	30MM 100	118 1/4		
119	12	30MM 100	119 1/4		
120	12	30MM 100	120 1/4		
121	12	30MM 100	121 1/4		
122	12	30MM 100	122 1/4		
123	12	30MM 100	123 1/4		
124	12	30MM 100	124 1/4		
125	12	30MM 100	125 1/4		
126	12	30MM 100	126 1/4		
127	12	30MM 100	127 1/4		
128	12	30MM 100	128 1/4		
129	12	30MM 100	129 1/4		
130	12	30MM 100	130 1/4		
131	12	30MM 100	131 1/4		
132	12	30MM 100	132 1/4		
133	12	30MM 100	133 1/4		
134	12	30MM 100	134 1/4		
135	12	30MM 100	135 1/4		
136	12	30MM 100	136 1/4		
137	12	30MM 100	137 1/4		
138	12	30MM 100	138 1/4		
139	12	30MM 100	139 1/4		
140	12	30MM 100	140 1/4		
141	12	30MM 100	141 1/4		
142	12	30MM 100	142 1/4		
143	12	30MM 100	143 1/4		
144	12	30MM 100	144 1/4		
145	12	30MM 100	145 1/4		
146	12	30MM 100	146 1/4		
147	12	30MM 100	147 1/4		
148	12	30MM 100	148 1/4		
149	12	30MM 100	149 1/4		
150	12	30MM 100	150 1/4		
151	12	30MM 100	151 1/4		
152	12	30MM 100	152 1/4		
153	12	30MM 100	153 1/4		
154	12	30MM 100	154 1/4		
155	12	30MM 100	155 1/4		
156	12	30MM 100	156 1/4		
157	12	30MM 100	157 1/4		
158	12	30MM 100	158 1/4		
159	12	30MM 100	159 1/4		
160	12	30MM 100	160 1/4		
161	12	30MM 100	161 1/4		
162	12	30MM 100	162 1/4		
163	12	30MM 100	163 1/4		
164	12	30MM 100	164 1/4		
165	12	30MM 100	165 1/4		
166	12	30MM 100	166 1/4		
167	12	30MM 100	167 1/4		
168	12	30MM 100	168 1/4		
169	12	30MM 100	169 1/4		
170	12	30MM 100	170 1/4		
171	12	30MM 100	171 1/4		
172	12	30MM 100	172 1/4		
173	12	30MM 100	173 1/4		
174	12	30MM 100	174 1/4		
175	12	30MM 100	175 1/4		
176	12	30MM 100	176 1/4		
177	12	30MM 100	177 1/4		
178	12	30MM 100	178 1/4		
179	12	30MM 100	179 1/4		
180	12	30MM 100	180 1/4		
181	12	30MM 100	181 1/4		
182	12	30MM 100	182 1/4		
183	12	30MM 100	183 1/4		
184	12	30MM 100	184 1/4		
185	12	30MM 100	185 1/4		
186	12	30MM 100	186 1/4		
187	12	30MM 100	187 1/4		
188	12	30MM 100	188 1/4		
189	12	30MM 100	189 1/4		
190	12	30MM 100	190 1/4		
191	12	30MM 100	191 1/4		
192	12	30MM 100	192 1/4		
193	12	30MM 100	193 1/4		
194	12	30MM 100	194 1/4		
195	12	30MM 100	195 1/4		
196	12	30MM 100	196 1/4		
197	12	30MM 100	197 1/4		
198	12	30MM 100	198 1/4		
199	12	30MM 100	199 1/4		
200	12	30MM 100	200 1/4		

Latest Revenue	1990	Stock
-------------------	------	-------

	Date	High	Low	
P	-	1034	100	Regatta Water Ski on Inshore La 2000
P	-	101	75	Rehoboth Pier 1200 Cr. Uns. La. 2000
P	-	879	650	European Lobsters 8.750000 Cr. Ht Pl
P	-	501	451	Exp. Cr. of Louisiana Sea. A. 1000
P	28/9	1134.9	900	Worms Cr. Pl. 11 3/4 Cr. 500 2000
P	-	1000	900	Perkins Fishery 1000 Cr. Ht Pl
P	-	1000	900	Revs. Rev. 1.2500 (Hd) Cr. On Ht Pl 200
P	-	1120	1071	Reeds & Colonial 9.50 Cr. Ht 2002
P	-	1071	1011	Tenants Capital Cr. Cap. Bd. 2005
P	-	1050	800	Wyndham Group 9.575000 Cr. Pl
P	-	500	350	Fish Trust 0.500000 Cr. Ht Pl 200

Date	Latter	1990		Stock
		Month	Year	

	Jan	1	\$M	SPTS 140
	Feb	1	\$M	C. C. Fleming 140
	Mar	1	\$M	Grant Western 140
15/01	Apr	1	\$M	Kingsdon Oil & Gas 50p
27/1	May	25	\$M	Rangers
	Jun	25	\$M	Windsor 140
	Jul	25	\$M	Petroleum 5p
	Aug	25	\$M	Westworth Ltd. 140

Callings	Sept. 17	Calls in Control Secs.
Callings	Sept. 28	Put Cookson Rule 2

eclarations Dec. 27
 tement Jan. 7
 ndications see end of
 re Service

the point discount where it closed. ga

gave an understated impression of the genuine activity as traders desperate to offload puts found they were unable to sell. BZW resorted to buying calls

throughout the equity range and the index. Mr Steve Lindsey of UBS Phillips & Drew said: "Brokers were frustrated by attempts to buy near-month out of the money puts as disaster insur-

ance. There was an atmosphere of panic." There were 16,226 FT-SE options traded, the majority of them (12,990) puts. The top equity performer was Trusthouse Forte with a turnover of 2,951.

mainly in anticipation of poor results next week. Business in Polly Peck was heavy

	CALLS			PUTS		
Option	Dec	Mar	Jun	Dec	Mar	Jun

Abbey Nat. ('203)	200	17	23	28	7	11	14
	220	7	12	16	19	19	22
Amstrad ('52)	50	8	11	13	4	6½	8
	60	3	6	7½	11	12	13
Barclays ('300)	300	25	35	38	15	25	37
	330	12	22	22	33	40	45

Blue Circle (¹⁸³)	180	18	26	28	9	12	14
	200	10	16	19	21	22	24
British Gas (²¹⁷)	200	27	31	39	4	6	8
	220	13	18	25	9	12	14
Dixons (¹¹⁰)	110	18	22	26	4	5½	6½
	120	12	14	20	7	8	10

Glass	700	52	79	97	28	42	45
(7717)	750	30	55	72	59	55	69
Hammer Sted.	390	35	50	55	20	25	30
(7398)	420	17	30	35	35	38	45
Hilldown	340	22	32	37	11	13	16

19244)	260	11	22	27	22	24	25
Lorrio	218	18	-	-	12	-	-
19215)	220	-	20	25	-	21	23
Midland Bt	220	12	20	13	25	31	33
19203)	240	6	14	15	40	45	45

N. Joyce (≈ 173)	180	21	28	29	6	8 $\frac{1}{2}$	10
	180	9	15	17	15	16	17
Seam (≈ 80)	70	13	16	17	3 $\frac{1}{2}$	4	5
	80	6	9	11	6 $\frac{1}{2}$	8	9
THF (≈ 216)	200	26	34	36	7	11	13
	220	13	22	26	14	19	21

Turn EM1 (7585)	550 600	64 32	80 49	95 65	15 40	19 38	22 39
TSB (7119)	110 120	16 11	20 14	24 17	3 7	4 8	5 10
Vaal Reefs (7572)	70 80	12 8	16 13	19 15	8 12	12 16	14 18

Wellcome	460	52	75	87	20	25	30
(+085)	500	30	50	65	37	45	47

EURO FT-SE INDEX (+2016)

1975	2025	2075	2125	2175	2225	2275	2325
------	------	------	------	------	------	------	------

CALLS

Sept	52	24	8	2	1	1	1	1
Oct	-	68	45	30	18	10	6	3
Nov	-	91	-	50	-	23	-	10
Dec	-	110	-	64	-	35	-	16
Mar	-	157	-	110	-	75	-	43
Jan	-	185	-	140	-	105	-	75

PTS	20	45	81	126	173	223	273	320
Sep	-	70	100	135	172	213	254	306
Nov	-	85	-	135	-	208	-	290
Dec	-	90	-	140	-	207	-	282
Mar	-	125	-	170	-	235	-	293
Jun	-	103	-	143	-	190	-	250

	FT-SE INDEX (2016)							
	2060	2050	2100	2150	2200	2250	2300	2350
CALLS								
Sep	35	13	6	2	1	1	1/2	1/2
Oct	81	54	25	23	13	9	5	4
Nov	104	70	57	43	30	20	15	12

Dec	186	171	31	57	31	23	14	9
Jan	125	96	75	42	40	29	20	14
Jun	197	-	140	-	100	-	70	-

PUTS								
Sep	33	62	105	155	205	255	305	355
Oct	62	89	120	162	208	255	305	355
Nov	75	98	133	188	210	267	305	355

Dec	82	107	134	170	212	257	300	350
Jan	107	-	155	-	228	-	315	-

B-Suspended
September 20 Total Contracts 45,242
Calls 19,492 Puts 25,747
FT-SE Index Calls 3,236 Puts 12,990
Euro FT-SE Calls 72

Underlying security price. Long dated expiry mths

1

1. *Chlorophyll a* (Chl *a*)

UK COMPANY NEWS

Optimistic mood as a stream of new drugs are set to enter market
Glaxo improves 13% to £1.14bn

By Clive Cookson

IN SPITE of adverse currency fluctuations, Glaxo, the world's second largest pharmaceutical group, raised pre-tax profits for the year to the end of June by 13 per cent to £1.14bn. Turnover increased 11 per cent to £2.55bn.

The results, announced yesterday, were at the top end of City forecasts and were accompanied by optimistic comments by Sir Paul Girolami, chairman, about a stream of new drugs which will come on the market during the early 1990s. The share price eased 5p to 716p.

"We are embarking on perhaps the most ambitious product launch programme ever undertaken in our industry," Sir Paul said.

Currency fluctuations, notably the strength of sterling during May and June, had an adverse impact on the group. Glaxo said its underlying growth at constant exchange rates was 17 per cent on turnover and 20 per cent on trading profit.

Glaxo is highly dependent on Zantac, its anti-ulcer medicine which is by far the world's best selling prescription drug. Zantac sales rose by 9 per cent during the year to £1.4bn; they represent about half the company's turnover.

Sir Paul said that he expected Zantac's share of the world's anti-ulcer market gradually to decline over the next few years, though the value of its sales would continue to rise. In five years time 35 per cent of Glaxo revenues would

come from Zantac, he predicted.

Glaxo launched two new products, Zofran (to prevent sickness in cancer therapy) and Filonase (a hay fever treatment), in their first markets during the year and filed registration documents for three more: Laciopl (for high blood pressure), Serevent (asthma) and Imigran (migraine). The company has particularly high hopes for Imigran, Serevent and Zofran.

Dr Ernest Mario, chief executive, said yesterday that Glaxo

would be able to file for a product license for Serevent in the US early in 1991 - a year earlier than planned - because the Food and Drug Administration had unexpectedly agreed to accept European clinical data for the drug. Further clinical trials of Serevent in the US would therefore be unnecessary.

Spending on research and development leapt by £76m to £395m in 1989-90 and Dr Mario expects R&D expenditure this year to reach £500m. Capital expenditure was £619m (£373m)

and the company has a £2.5bn capital spending plan for the four years 1991 to 1995.

Japan was the only part of the world where Glaxo performed disappointingly in 1989-90. Sales by its associated company Nippon Glaxo fell by 13 per cent to £164m, as a result of price cuts forced on all pharmaceutical suppliers by the Japanese government.

Earnings per share were 53.1p (46.2p). The final dividend is 15p, making a total for the year of 22p (17.5p). See Lex



Glaxo chief executive Ernest Mario expects R&D expenditure this year to reach £500m

Alan Harper

British Gas plans large expansion in US

By David Thomas, Resources Editor

BRITISH GAS has announced plans for a big expansion of its operations in the US as part of its strategy of creating a large exploration and production arm.

"My objective is that our exploration and production business should provide a major contribution to the company's earnings," Mr Robert Evans, chairman, told a meeting in Houston.

He set a target of oil and gas production contributing at least 20 per cent to earnings by the mid-1990s. Last year, explo-

ration and production accounted for 13.6 per cent of operating profits of £1.1bn. Mr Evans disclosed plans to spend \$80m (\$43m) in 1990-91 drilling 20 wells in the US, mainly in the Gulf of Mexico and Gulf Coast area. Last year, its US exploration expenditure was negligible.

Most of British Gas's US wells will be drilled as joint ventures with Arco and Broken Hill Proprietary. The company hopes to have its first US gas production offshore of Alabama this year. It aims to build

up US gas reserves to 500bn cu ft in the next 4-5 years; last year, it had no US gas reserves.

Over the past year, British Gas has expanded its Houston office to 150 people. Houston is responsible for exploration and production in North and South America, and in Africa.

Total expenditure by Houston this financial year will be about \$250m, compared with \$60m-\$70m last year. This year's expenditure will include over \$140m on exploration. It hopes the Midstar field in Tunisia will be the first foreign

reserves which it will develop as an operator. It foresees the gas being used mainly in Tunisian power generation.

Some analysts have expressed disquiet about British Gas's plans to become more involved in risky exploration and production activities. However, Mr Evans believes there is no alternative in the face of the growing maturity of its core UK gas operations. He has previously said he wants exploration and production to be as big as its gas distribution business by the end of the decade.

Brent Walker clashes with auditor

By David Walker

KPMG PEAT Marwick McLintock, the accountancy firm which audits Brent Walker, yesterday clashed with its client over a Stock Exchange statement put out by the leisure and property group on Tuesday. Peat Marwick has resigned as auditor in relation to the dispute between Brent Walker and Grand Metropolitan.

Brent Walker is claiming a rebate from GrandMet on the £685m it paid last year for William Hill and Mecca Bookmakers. Peat Marwick said that it was "not consulted either to the use of its name or the comments" in a statement in which Brent Walker stated that Peat Marwick endorsed its view that 1988-89 profits were "substantially less" than £51m.

This is the trigger point below which the consideration could be reduced, according to the complex terms of the transaction. Brent Walker is now seeking a £160m rebate on the price paid while GrandMet is insisting on the payment of the £50m final payment due by next Tuesday.

Mr George Walker, Brent Walker's chairman and chief executive, denounced Peat Marwick's statement yesterday, saying that some weeks ago he had consulted the partner in charge of the audit over whether there were grounds for a claim against GrandMet and was told that there were.

The problem for Peat Marwick is that it audits both Brent Walker and Grand Metropolitan. Touche Ross has provided independent accounting advice to Brent Walker.

Leigh Interests

Leigh Interests's offer for HT Hughes seemed to be heading for success after it announced yesterday that 50.05 per cent of Hughes shares were now committed to it.

On Tuesday, Leigh unveiled a recommended paper offer for its fellow waste management company. The offer was 50.3 Leigh shares for every 100 Hughes shares.

S&N negotiates to purchase remainder of Center Parcs

By Philip Rawstone

SCOTTISH & Newcastle, the Edinburgh-based brewer, which last year acquired 60 per cent of Center Parcs, the Dutch holiday village operator, is negotiating to buy the outstanding share capital.

Listing of Center Parcs' shares on the Amsterdam and London stock exchanges was suspended yesterday at the company's request.

The planned cash deal, at £1.80 per share with comparable payments to the holders of Center Parcs' convertible bonds, would value the Dutch company at £454m and put the cost of the 40 per cent holding to be acquired at £180m.

But Mr Alec Rankin, S&N's chairman, said yesterday that the convertible loan stock, amounting to £90m, had already been taken into the company's balance sheet.

The £90m required to buy the ordinary shares would be funded out of S&N's own resources - which are due to be boosted by the final payment next week of £44m on the £445m sale last year of its Thisle hotel chain to Mount Charlotte.

Mr Rankin said: "Our relations with Center Parcs during the past year could not have been happier. We are delighted with the operation and believe it is a sound defensive investment."

At the time of the original acquisition, Center Parcs considered that the maintenance of its Dutch identity and character - which S&N agreed was important to its success - would be helped by the continuation of a separate listing both in London and Amsterdam.

Center Parcs now feels that this is no longer necessary and that its investment programme would be more efficiently funded if it became a wholly-owned subsidiary of S&N, while continuing to operate under its own name and existing management.

The company currently operates 12 holiday villages in the Netherlands, Belgium, France and the UK and is planning to build two more, at an estimated cost of £70m to £80m each, in West Germany and Belgium.

In the year to December 31 1989, Center Parcs reported pre-tax profits of £20.7m on turnover of £187.5m. Its unaudited interim results for the half-year to July 16 1990, published yesterday, show a profit increase of 35 per cent to £10.4m on turnover of £112.3m.

MB evades worst of economic downturn and rises 18% to £53m

By Andrew Hill

MB GROUP, the building products and security printing group, evaded the worst of the UK economic downturn in the first half of 1990, increasing profits by 18 per cent to £53.6m before tax, against a pro forma £45.4m in the equivalent period.

But MB's shares slipped 13p to 127p in yesterday's weak market, overshadowed by Wednesday's disappointing results from CMB Packaging. MB, formerly Metal Box, has a 26 per cent stake in CMB, which was formed by a merger last year between its packaging interests and Carnaud, a French packaging company.

Mr Peter Jansen, MB's chief executive, repeated the group's conviction that the CMB stake was a long-term investment.

CMB's profits were 2 per cent lower in the same six-month period, but MB's share of those profits rose from £16.2m to £17.9m.

Mr Jansen joined MB when it merged with Caradon, the building products company, a year ago. He said yesterday he was keen to draw investors' attention towards the profits increase at the building prod-

ucts division. Despite depression in the UK building market, MB was able to increase prices for some of its branded products, which include Everest double-glazing, and Twyford and Stetrad Doulton bathroom products, and the division's profits rose from a pro forma £27m to £31.5m.

Security printing - principally in the US - pushed up profits from £12.2m to £14.2m. Group turnover rose slightly from £362m to £365m and earnings increased to 8.1p (7.2p). Interim dividend is 2.75p (2p).

MB blamed the market's disappointment with CMB on exaggerated expectations of the company's results, but denied there was a rift between the British group's view of the packaging company's strategy and CMB management's view.

"Our vision doesn't have to tally with the CMB management," said Mr Jansen. "Our vision tallies with that of the other major partner [Compagnie Générale d'Industrie et de Participations], the French holding company, which has a similar-sized stake] so in the long term the vision of CMB's management will tally with

that of the major shareholders - that's the way to put it."

COMMENT

Peter Jansen says MB is a UK and European building products business with a high-class security printing business in the US. Frustratingly for Mr Jansen and his fellow directors, most investors have focused on disappointments at CMB in recent months rather than the buoyancy of the building products operation. Strong brands like Everest and Doulton are proving more resilient than most in the depressed climate, and MB's products should benefit from the first glimmer of recovery in the housing market, as people move and improve their new homes. But judging from analysts' comments yesterday, CMB is still pictured in the foreground of City views of MB, against a backdrop of economic stormclouds. Full-year profit forecasts have been reduced from more than £120m before tax to about £105m. Investors should probably hold on to the shares on a multiple of about 8 times prospective earnings.

JOHN LEWIS PARTNERSHIP plc
Department stores
and Waitrose supermarkets**Consolidated unaudited results
for the half year ended 28 July 1990**

	1990 £m	1989 £m	%change
Sales (including VAT)	1,013.8	959.0	+ 6
Trading Profit	45.9	53.0	-13
Interest	7.9	6.8	+16
Pensions Fund Contribution	5.0	4.5	+10
Surplus available for preference dividends, profit sharing and, subject to taxation, for retentions	33.0	41.7	-21

Sales and profit

Sales rose by £17m (+4%) in the department store division and by £38m (+8%) in Waitrose. The sluggish state of the housing market continued to make trading difficult in department stores. Costs rose faster than sales in both divisions and there were also one-off costs associated with the closure of two department stores. As a result, profits fell 21% to £33m.

Profit sharing

Allocation between retentions and profit sharing is determined when the results for the year are known. Preference dividends for the half year were £110,000 (£110,000).

For further details of the results and/or the John Lewis Partnership please telephone 071-828 1000 ext 6221.

APV's
performance
maintained, despite
difficult trading
conditions.**FINANCIAL HIGHLIGHTS**

	6 months to 30 June 1990 £m	6 months to 30 June 1989 £m	Year to 31 December 1989 £m
Turnover	446.5	382.9	844.4
Operating Profit	28.9	27.1	66.2
Profit before Tax	24.6	24.2	60.6
Earnings per Ordinary Share	5.7p	5.4p	14.1p
Dividends per Ordinary Share	2.0p	2.0p	5.4p

Trading conditions during the first half of 1990 have been difficult in the UK, US and Australasian markets. In

contrast, APV's European businesses continue to perform satisfactorily with a particularly strong level of order intake in West Germany.

Earnings per share rose by 5% from 5.4p to 5.7p.

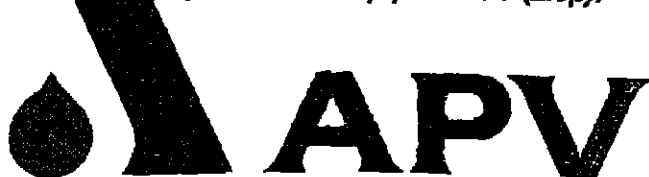
APV continues to focus on its core activities, and is currently negotiating the sale of its non-core plastics businesses in the USA and France.

Orders received in the 6 months to 30th June were at approximately the same level as those for the same period last year. At 30th June 1990, the

order book (excluding businesses held for disposal) was 4% higher than in the previous year.

Management is taking vigorous steps to improve the operational efficiency of the group and control over working capital. There are encouraging signs that these measures are proving successful.

The Directors have declared an interim dividend of 2.0p per share (2.0p).



The world's food engineers.

Highlights of Unaudited Group Results

	1990	1989
TURNOVER	£1,302.6m	£1,202.1m
PROFIT BEFORE TAXATION	£109.3m	£115.5m
EARNINGS PER SHARE	28.4p	32.0p
DIVIDEND	6.4p	5.8p



**International Headquarters, RMC House,
Coldharbour Lane, Thorpe, Egham, Surrey TW20 8TD**
Operating internationally in Austria, Belgium, France,
Germany, Holland, Hungary, Israel, Portugal, Republic of Ireland,
Spain, United Kingdom and USA.

FINANCIAL INFORMATION: O. Bozyl, G. Schmitt & (1)43.60.01.80 (France)

هكذا من اجل

GLAXO SCIENCE PAYS DIVIDENDS IN MORE WAYS THAN ONE.



Photographed at The Hospital For Sick Children Great Ormond Street.

The 40,000 Glaxo employees around the world have completed another fine year.

Our sales have increased by 11% to £2,854m reflecting the international strength of the group.

Profit before tax increased by 13% to £1,140m.

Earnings per share improved by 15%, from 46.2p to 53.1p.

These figures demonstrate, once again, the superb achievement of our company and our employees in developing and marketing an expanding range of prescription medicines throughout the world.

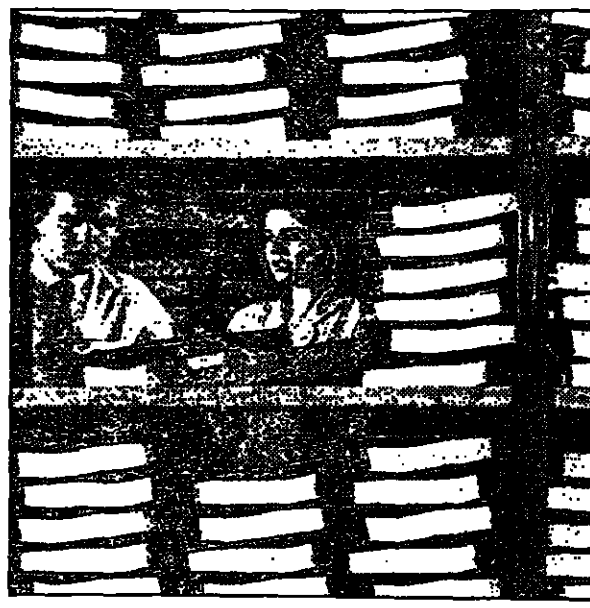
Our excellence in products and marketing is confirmed by the fact that we are the only company with three products in the world's top 20 prescription pharmaceuticals.

Our commitment to the research and development of innovative medicines is equally apparent with significant new compounds for the treatment of nausea and respiratory problems now reaching patients, while those for combating migraine and asthma have been submitted for approval.

Yet important new medicines are not the only benefit that Glaxo science is bringing to society.



Research continues into new medicines in many therapeutic areas.



An application for a new medicine can involve over 100 volumes of information.

FINANCIAL HIGHLIGHTS

YEAR TO 30TH JUNE 1990

	1990 Unaudited	1989 Unaudited	% increase
Turnover	£2854m	£2570m	11
Trading Profit	£998m	£876m	14
Profit Before Tax	£1140m	£1006m	13
Earnings Per Share*	53.1p	46.2p	15
Dividends Per Share*	22.0p	17.5p	26
Research and Development	£399m	£323m	24
Capital Expenditure	£619m	£373m	66

* 1989 figures have been adjusted to reflect the bonus issue in November 1989.

Glaxo companies worldwide contribute increasingly to the quality of life in their local communities.

It may be donations towards hospital developments in the UK, financing a home for mentally handicapped children in North Carolina, or mobile health clinics in India.

But whatever form these programmes take, and wherever they happen to be, they result from our success in achieving sustained growth in the field of therapeutically significant medicines.

Success that will continue to pay dividends for years to come.

Glaxo

WORLD LEADERS IN PHARMACEUTICALS

Notice to Holders of

PENGU FINANCE N.V.

Class A and Class B

Non-Interest Bearing Convertible Senior Subordinated Guaranteed Debentures due 1991 (the "Debentures")

CUSIP: 707056AC1 (Class A)
707056AB3 (Class B)

On April 27, 1990 the United States Bankruptcy Court for the Northern District of Texas, Fort Worth Division (the "Bankruptcy Court"), entered an Order Confirming Corrected Plan - Confirmation Modifications Pursuant to Section 5.11.27(b) to the First Amended Plan of Reorganization (the "Plan") of Penco Industries, Inc. ("Penco") and Penco Finance N.V. The Plan provides for a distribution to Class 5 Creditors which includes holders of the Debentures of a proportionate share of (i) cash in the amount of \$1 million and (ii) \$2 million principal amount of a new subordinated 10% note issued by Penco, due in 5 years.

In order to receive a distribution, holders of Debentures should obtain a Letter of Transmittal from Texas Commerce Bank National Association, as Trustee (the "Trustee"), at one of the addresses set forth below:

BY MAIL: P.O. Box 4631, Houston, TX 77010, ATTN: Bond Calls
BY HAND: 811 Rusk, 18th floor, Houston, TX 77002, ATTN: Bond Calls

In order to receive a distribution on account of the Debentures, a holder must present Debentures together with the completed Letter of Transmittal, and any required Federal Income Tax Reporting Forms to the Trustee on or prior to May 8, 1991.

Payments made on account of Debentures will be made net of the unreimbursed fees and expenses of the Trustee under the Indenture pursuant to which the Debentures were issued and as disbursing agent under the Plan.

To the extent that (1) Debentures are not surrendered on or prior to May 8, 1991 or (2) the Trustee's fees and expenses are reimbursed pursuant to the provisions of the Bankruptcy Code or (3) disputed Class 5 claims are resolved, then an additional distribution will be made by the Trustee to holders entitled to such.

Texas Commerce Bank National Association

Midway fall to £109m in spite of West German strength Construction gloom hits RMC

By Andrew Bolger

RMC, the world's biggest producer of ready-mixed concrete, said yesterday that a strong performance in West Germany had helped it offset the decline in UK construction, but the group still reported a 5.4 per cent fall in interim profits.

The pre-tax outcome for the six months to June 30 was £109.3m (£115.5m), although turnover was 8.4 per cent higher at £1.3bn.

Earnings per share fell 11 per cent to 28.4p, but the interim dividend is lifted by 10 per cent to 6.6p.

The company said that the severity of the Government's counter-inflation policies bore heavily on the construction industry. The drop in profits reflected the downturn in UK construction activity, together with an increase in interest charges from £5.5m to £9.3m incurred in the expansion of its activities, both in the UK and overseas.

Operating profits arising from overseas activities exceeded those for the UK for the first time.

RMC said higher levels of

UK inflation and interest rates had an inevitably adverse effect on the domestic construction industry.

These factors affected almost all of the group's UK operations, with a reduction in turnover and a 24 per cent fall to £51m in operating profit.

By contrast, in West Germany there were increases in the demand for cement, ready-mixed concrete and aggregates which flowed through in increased turnover and a 40 per cent rise in operating profit to £30.2m.

There was a small reduction in the demand for lime as a result of lower deliveries to the iron and steel industries.

Mr John Camden, chairman, said: "There is no immediate prospect of improvement in trading conditions in the UK and, while our overseas interests are expected to sustain their present levels of activity,

the overall pattern established in the first half of the year is anticipated to continue for the remainder of 1990."

Volumes of ready-mixed concrete in France showed an increase but competition in the industry remained fierce, with margins continuing to come under pressure in some areas.

The group said operations in Holland continued at the high levels of last year. Substantial progress was also made in the rest of Europe, particularly in the Irish Republic and Spain. Profitability increased in Israel and in the south-east US.

The increase in income from related companies from £200,000 to £2.6m reflected the recovery which occurred at RMC's partnership with Lonestar in northern California.

● COMMENT
RMC did well to close 2p higher at 481p in a plunging

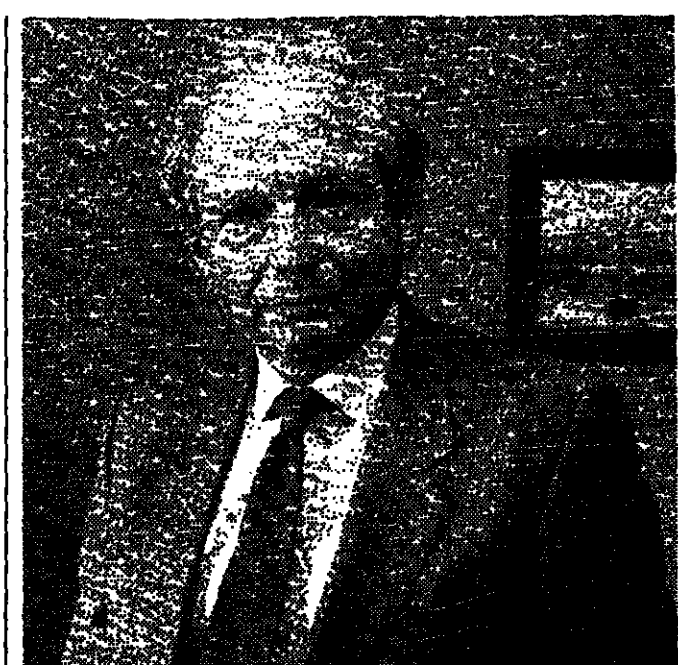
market. It had already crashed with the rest of the building sector, but the group's overseas earnings do single it out from the herd.

The first half was tough in the UK, but the second half will be even worse, as the downturn spreads from housing to commercial building.

The West German performance was extremely impressive, even if overseas earnings do attract higher taxation.

Full-year earnings of £230m would put the shares on a prospective multiple of 8.2 with a yield of 5.6 per cent.

There is little downside at that level and modestly-gear RMC is the analysts' first choice for recovery when the sector turns. But such is the gloom enveloping the market as a whole and the sector in particular that there is no need to rush in just yet.



Tony Chubb: issued warnings in the spring about Brazil

Foseco hit by slow trading in UK and Brazilian squeeze

By Jane Fuller

A FINANCIAL squeeze in Brazil and slow trading in the UK were the main reasons for a 22 per cent fall in pre-tax profits at Foseco, the specialty chemicals and abrasives group, in the first half of this year.

The taxable figure declined to £19m (£24.6m), slightly below expectations, on turnover increased 5 per cent to £301.5m (£287.7m). Foseco shares shed 14p to close at 174p.

Mr Tony Chubb, who retires as chairman later this year, issued warnings in the spring about the ill effects of Brazil's fierce monetary squeeze. He said yesterday that the consequent profit reduction was £1.2m, virtually wiping out first-half earnings from that country.

The main impact was felt in the metallurgical chemicals division, which saw profit fall to £12.3m (£14.6m).

The Gulf crisis also took a toll because of outstanding payments due from the Iraqi nationalised steel industry to Foseco's French metallurgical operation. A provision of £800,000 had been made, said Mr Chubb.

Brighter parts of the division included the foundry and light alloy activities and the continued buoyancy of West German and Japanese markets. The US performance had improved because of internal reform.

Difficulties in various UK industries, including construction, DIY and mining, hit the other two divisions.

In abrasives and diamond products, £1m of the fall in profit to £5.5m (£7.1m) was accounted for by an atypical subsidiary, Celmac, the UK's largest maker of toilet seats, was a victim of the housing/DIY slowdown.

There was also some weak-

ness in the US because of exposure to the automotive industry.

In construction and mining chemicals, where profit fell to £2.6m (£4.4m), sales to British Coal declined and a timber treatment subsidiary suffered from the house-building slump.

Mr Chubb said action taken to improve the group's efficiency included cutting a quarter of the Brazilian workforce and closing part of the UK abrasives activities.

Interest charges rose to £2.4m (£1.8m) and gearing was between 25 and 30 per cent.

Earnings per share fell by nearly 28 per cent to 11.8p (£16.3p). The interim dividend is held at 5p.

● COMMENT

Far from geographic spread providing a cushion against local difficulties, Foseco's involvement in about 40 countries seems to bring a succession of problems. Although the second half outlook for Brazil is less bad, the Gulf crisis has brought uncertainty to the 3 to 4 per cent of sales that lie in the Middle East, and a continued deterioration is expected in the UK. The spread of industrial customers - steel, automotive, mining, construction - also offers little comfort.

A happier note was sounded about the US, not least because the improvement was internally generated. The area of cost cutting was also welcome. Perhaps chairman elect Mr Tom Long, formerly of BAT Industries, will carry on in this vein. Full-year pre-tax profit is forecast to be £10m down on last year's £46m, giving a prospective p/e of 7.7. Although supported by an expected yield of 10 per cent, the share price is unlikely to go anywhere in the short term.

Logica profit halved to £9m

By Alan Cane

LOGICA, one of the UK's largest computing services companies, yesterday turned in results for the year to June 30 roughly in line with a profits warning issued in May.

Pre-tax profits were halved to £9.01m, compared with £18.84m last year. Sales were ahead marginally at £187.48m (£179.51m).

Earnings per share were down to 5p (20p) but the dividend is increased 10 per cent to 3.4p (3.1p), via a proposed final of 2.5p, in anticipation of better results next year.

Logica has been hit by three sets of difficulties. ● Firstly, its US operation moved last year from a £4m profit to a £2m loss on sales down 21 per cent in sterling terms.

The principal part of its US operation is Data Architects, a services company purchased in 1989.

A number of Data Architects' projects for customers have been drawing to a close without being replaced by new business.

A new chief executive officer

for the company has been recruited but not yet announced.

On his appointment, the current chairman and president Mr Martin Cooperstein and Mr Norman Zachary, will retire.

Secondly, it has had problems with a number of fixed price contracts including one for the Bay Area Rapid Transport Systems (BARTS) in California.

Of the contracts it undertakes, some 38 per cent are fixed price according to Logica and 62 per cent are based on the price of time and materials.

Mr David Mann, Logica's managing director, said the number of contracts in trouble was a small proportion of its total workload.

Thirdly, the Danish operation had proved unprofitable and had been closed as had the UK management consultancy subsidiary leading to exceptional costs of £1.5m.

In addition, business had been slow in a number of sectors including finance, which is a third of Logica's business,

and software for computer manufacturers.

● COMMENT

Fixed price contracts have become the bête noire of the computing services business but Logica's problems here seem containable compared, for example, with SO-Scicon.

Logica's strength is the quality and innovation of its work; its weakness is the regularity with which events, seemingly outside its control, throw it off balance.

Analysts seem content, however, that the present management is both competent and focused on what has to be done to retrieve the situation. The view is that the slowdown in contracts signed for new development projects, which is behind most services companies' financial problems, will soon be reversed.

Analysts suggest profits for Logica this year of between £12.5m and £15.5m with £17m likely for 1991.

Logica's shares closed at 151p, up 1p on the day.

Wm Morrison rises to £22m

By Peter Pearce

HOT ON the heels of Tesco's 28 per cent profit rise earlier this week comes the announcement of a 31 per cent advance at Wm Morrison Supermarkets, the Yorkshire-based food retailer.

In spite of a 31 per cent increase in net interest payable to £2.16m and a 25.5m drop in exceptional profits relating to the sale of land and buildings, Morrison lifted pre-tax profits to £21.85m (£16.72m) in the 26 weeks to August 4. Last year's figures were for 27 weeks.

Turnover improved 17 per cent to £493.8m (£372.05m). After cost of £7.97m (£5.55m), fully diluted earnings were up 29 per cent to 6.44p (5p). The

interim dividend is raised to 0.35p (0.25p).

Mr Ken Morrison, chairman, said that stores opened in 1988 and 1989 contributed strongly to the improvement, which was "encouraging during a period when retail sales are generally proving difficult to maintain."

However, Mr Martin Ackroyd, finance director, said: "People have been eating ever since I can remember, adding that the Wakefield distribution centre and the ease of distribution via the motorway network, and the specific location of the company's stores were also factors. Few people "passed by" Morrison's supermarkets.

Of the company's 46 stores, 29 have an average retail area of 33,000 sq ft, though between 1985 and 1989, the average size of new stores was 40,800 sq ft.

The opening of a store at Coalville next month, completes the three scheduled for the second half. The other two are in Rochdale and Pontefract.

Four new stores are planned for 1991 - in Hillsborough (Sheffield), Skipton, Stockton and Rotherham.

Mr Morrison said the company had recently completed a five-year term loan of £80m to ensure the completion of the new stores as well as the sites for a possible seven more.

Chas Baynes up to £2.6m

CHARLES BAYNES, the diversified industrial group, yesterday announced buoyant first half profits and the acquisition of Cartados Packaging, a distributor of industrial packaging materials, for £240,000 in cash and loan notes.

The profits advance from £1.63m to £3.61m pre-tax for the six months to end-June had been achieved against the background of a deteriorating general business climate.

The company had focused on operating efficiencies and asset management and as a consequence £2m cash was generated by operations.

Reflecting a positive outlook and to achieve a better balance with the final dividend the interim is lifted to 0.4p (0.25p).

Turnover improved, from £17.55m to £25.55m, and after tax of £876,000 (£524,000) earnings came through at 1.7p (1.41p).

Another set of strong results by its newspaper publishing activities enabled Johnston Press to record a 17 per cent improvement to £3.48m in pre-tax profits for the six months to end-June.

Turnover of the enlarged Scottish-based publisher and printer of weekly newspapers

rose by 58 per cent to £31.67m. However, increased borrowings following the acquisitions of Dunn & Wilson and Cedric Chivers resulted in interest charges of £220,000 (£32,000).

Earnings per 10p share amounted to 8.5p (7.9p) and the interim dividend is lifted to 1.75p (1.5p).

FLASH LIMITED SERIES E

U.S. \$30,000,000
Secured Floating Rate Notes Due 1992

In accordance with the conditions of the notes, notice is hereby given that for the six month period 21st September 1990 to 21st March 1991 (181 days) the notes will carry an interest rate of 8.3475% p.a. Relevant interest payments will be as follows:

Notes of U.S. \$100,000
U.S. \$4,196.94 per coupon.
THE SANWA BANK LIMITED
Agent Bank

Agent Bank

Bankers Trust Company, London

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

Agent Bank

UK COMPANY NEWS

Tripled interest charges hold interim profits growth to 13%
Laporte advances to £52.5m

By David Owen

LAPORTE, the specialty chemicals group which is 25 per cent-owned by Solvay of Belgium, yesterday reported a 13 per cent increase in interim profits in spite of a tripling of interest costs.

Taxable profits for the six months to July 1 rose to £52.5m (£46.5m) on turnover ahead almost 10 per cent to £334.7m (£304.5m).

Among the strongest performers was Interlox, the Laporte-Solvay joint venture, which raised profits by 19 per cent from year-ago levels on the back of the continued buoyancy of the global hydrogen peroxide market.

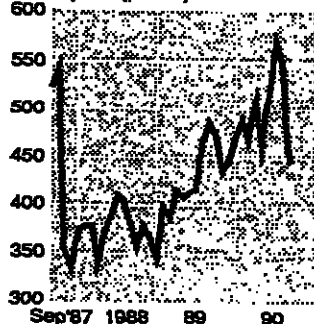
Absorbents, metals and electronic chemicals, process and hygiene chemicals and timber treatment also performed well. The shares, which have fallen sharply in recent weeks, edged down 2p in the weak market to 444p.

Net interest costs rose to £5m against £1.6m in 1989. However, a turnaround is anticipated in the second half, since the group had a net surplus at the half-year after taking into account the proceeds of its recent £144m one-for-four rights issue.

Looking ahead, the company projected that 1990 would be "a year of progress", although it

Laporte

Share price (pence)



Ken Minton: 1990 would be a year of progress

admitted that the "less favourable" economic environment was imposing "additional burdens" on some of its businesses. "Most of our growth has been occurring in our higher margin activities," said Mr Ken Minton, chief executive.

The Luton-based company was not without its problems during the first six months. The performance from its extensive Australasian activities was generally disappointing and the building chemicals unit performed worse than in 1989.

Trading was also down on

exceptionally high year-earlier levels in fine organics. The group blamed the position both on the slower than expected rate of commercialisation of a number of new products and the high cost of commissioning new Teesside-based plant.

Earnings per share advanced to 24.4p from an adjusted 20.5p in 1989, reflecting a lower tax rate. An interim dividend of 6.4p (5.8p) is declared.

COMMENT

Not everything is going swimmingly for Laporte at present. Performance in the Antipodes

is down virtually across-the-board and there are other weak spots in building chemicals and organics. Nor is the chemicals sector exactly the flavour of the month in this period of rising oil prices which will affect both raw materials costs and end-user demand. Further down the line, the picture is further blackened by the prospect of rising emission control and other environment-related expenditure. But in the context of this rather forbidding backdrop, Laporte actually appears relatively well-placed. The propitious rights issue has wiped out the group's debt burden. Meanwhile, its exposure to oil is lower than that of many of its peers. Indeed, the buoyancy of Interlox's performance augurs especially well since it is linked to higher consumption of hydrogen peroxide in the pulp and paper industry, which is itself environmentally driven. Assuming full-year profits of about £120m (the second half is traditionally stronger than the first), the prospective multiple of just under 9 is about on a par with the ICI-dominated sector. This seems rather low. Having said that, there can be few investors rushing into the chemicals sector at present.

Barclays takes full control of Allied Tst

By David Lascelles, Banking Editor

BARCLAYS BANK has taken full ownership of Allied Trust, a London-based bank in which it previously held 46 per cent.

It acquired the stake belonging to Sheikh Kamal Adham, a Saudi investor, for an undisclosed sum.

As a result of the change, Mr Richard Carden, Barclays' director of corporate and financial sectors, will take over as chairman. Mr Colin Wakelin will remain managing director and chief executive.

Allied Trust was formerly Allied Arab Bank. Barclays

was forced to increase its stake in the bank in 1984 when it suffered heavy losses. The bank has since cleaned out its loan book and is now profitable again. At the beginning of this year, Barclays bought out another Middle East shareholder, raising its stake from 20 per cent to 46 per cent.

Allied Trust's net assets were £38.7m in the middle of this year, with a total balance sheet of £382m. It made £1.1m before tax in the first half of this year and specialises in lending to small businesses.

Secure Trust ahead 39%

SECURE TRUST, the Birmingham-based financial services group, increased its pre-tax profits by 39 per cent to £2.7m in the first half of this year, writes David Lascelles.

The group, which was floated on the Stock Exchange in 1988, specialises in managing instalment payments for households, and has also diversified into insurance broking, lending and retailing.

Mr Henry Angest, chairman, said that the introduction of the poll tax had brought the company substantial new busi-

ness and had spread revenues more evenly over the year, though it had added to administration costs.

Secure Trust also benefited from higher interest rates because it holds cash balances averaging £15m. Insurance broking and lending also performed well, but the retail division was hurt by difficult economic conditions.

Mr Angest said he was "very confident that we shall have a good year".

The interim dividend is raised by 20 per cent to 3p.

Dowding & Mills rises 26%

DOWDING & MILLS, the West Midlands-based electrical and mechanical repair group, yesterday unveiled a near-26 per cent expansion in annual profits.

Mr Peter Hollings, chairman, said that the volume of business held up well, both at home and overseas. "In the current financial year trading has continued firmly with no sign yet of a slackening in demand."

Taxable profits for the 12 months to June 30 - £11.72m against £9.32m - were achieved on turnover ahead 12 per cent to £75.41m (£67.3m). Margins increased to 15.6 per cent, the best since 1975, Mr Hollings commented.

The results, struck after interest charges down to £419,000 (£615,000), included a five months contribution from Calibration Systems, while Microwave Systems was in for four months.

Earnings per 10p share emerged at 7.45p, up from 6.49p and a final dividend of 1.7p is recommended, lifting the total for the year to 3.7p (3.32p). A 1-for-4 scrip issue is also proposed.

Singapore side helps Boustead gain 11%

Improved margins and a strong Singapore performance helped offset weakness in some UK sectors, and enabled Boustead to raise first-half profits by 11

per cent.

The international trader and industrial holding group raised the taxable result from £2.21m to £2.45m on sales down from £42.21m to £40.67m. The overseas contribution rose by 38 per cent to £19.17m (£13.94m), but UK activities put in only £21.5m (£28.37m).

Directors said the sale of Metal Supplies in February had reduced turnover by £6.1m. The net profit on the disposal was shown as an extraordinary item of £1.82m.

The interim dividend has been increased to 0.55p (0.5p) on earnings per share of 2.08p (2.27p).

MTL holds margins as profits rise 25%

In spite of unfavourable conditions in some markets, MTL Instruments Group, the USM-quoted maker of intrinsic safety equipment, raised pre-tax profits by 25 per cent from £1.53m to £1.91m for the first half of 1990.

Turnover was 21 per cent higher at £6.97m (£5.78m). Mr Ian Hutcheon, chairman, said margins had been maintained and the increase in profits also reflected the interest earned on MTL's growing cash balance.

The results reflected the continued growth in the use of intrinsic safety worldwide, the steady development of new and improved intrinsically safe products, the establishment of a further MTL regional sales company overseas and the continued strength of the UK market.

He pointed out that the latter was due mainly to the construction of new North Sea oil

and gas production platforms and safety improvements to existing platforms.

Tax took £700,000 (£556,000) and earnings were up from 5.62p to 6.31p per 10p share. The interim dividend is raised by 20 per cent to 1.2p.

Slight advance at Bilston & Battersea

Bilston & Battersea Enamels, the USM-quoted manufacturer of hand-painted decorative enamelware, reported a slight rise in pre-tax profits in the six months to June 30.

The rise from £215,000 to £282,000 was struck on turnover ahead 7 per cent at £2.2m (£2.06m). The company said that this was in spite of the general retail climate, both in the UK and the US, suffering from a downturn in consumer spending. The rise in administration costs - from £43,000 to £49,000 - was due to inflation and additional expenditure on sales promotion, it added.

Earnings crept up to 3.4p (3.3p) per share and the interim dividend is maintained at 1.75p.

Fired Earth declines to £454,000 halfway

Taxable profits at Fired Earth Tiles fell by some £100,000 to £454,000 in the first half of 1990, adversely affected, in the view of Mr Nicholas Knox, chairman, by the continuing contraction in the market for home improvements and ceramic tiles in particular.

He added that last time there had been a £90,000 exceptional credit. This related to the sale

of tiles using designs by Salvador Dali, the Spanish surrealist painter.

Mr Kneale said that the traditional business of Fired Earth - retailing high quality hand-made tiles - had performed well, with sales up and margins maintained. However, the profits rise in that sector was offset by the fact that the Merchant Tiler, the retailer of medium priced machine-made tiles, had been slower to develop than forecast.

Turnover rose to £2.36m (£1.96m). Earnings per share dropped to 5.11p (7.18p), but a maiden interim dividend of 1.825p is declared.

Proudfoot climbs 38% to £23.3m

Alexander Proudfoot, a group mainly involved in management consultancy and training, raised taxable profits from £16.57m to £22.3m for the six months to June 30.

The 38 per cent rise came on increased turnover at £95.46m (£82.45m). Earnings per share undiluted were 24.01p (16.49p), and fully diluted 21.82p (15.29p). Interim dividend goes up to 6p (3.5p).

Goal Petroleum cuts interest costs

As a result of borrowing mainly US dollars Goal Petroleum kept its interest costs significantly lower and was able to report after-tax profits of £515,000 for the six months to June 30.

Although that compared with last year's £2.02m, 1989's first half figure included exceptional profits of £1.88m from the sale of Claymore oilfield interests.

The group continued to borrow to finance the final development cost of Wyth Farm and at June 30 net borrowings stood at £22m, equal to gearing of 30 per cent. Interest charges fell from £1.06m to £948,000.

Turnover totalled £16.46m (£12.6m) and earnings per 5p share were 0.39p (1.52p).

£0.5m provision hits William Sindall

William Sindall, the Cambridge-based builder and civil engineer, yesterday reported a slight setback in interim profits.

On turnover ahead some 32 per cent to £43.37m (£32.93m), the outcome at the pre-tax line eased from £691,000 to £662,000.

This was struck, however, after increased interest charges of £782,000 (£498,000) and an exceptional debit of £500,000 representing a write-down against a waterside development. Profits at the operating level improved by 64 per cent to £1.94m (£1.19m).

Fully diluted earnings dipped to 4.88p (6.48p) per 5p share, but the interim dividend is maintained at 1.5p.

Alumasc advances 28% to £4.85m

Alumasc Group, maker of beer kegs and other products for the brewery and building industries, which Glywed International had sought to acquire, raised taxable profits from £3.81m to £4.85m for the six weeks to July 1.

Glywed's £34m bid lapsed in June after the deal, which was accepted by 98 per cent of Alumasc holders, was referred to the Monopolies and Mergers Commission.

Alumasc's 28 per cent profits increase was achieved on turnover up 22 per cent to £45.2m (£37.17m).

Net interest payable was £466,000 (£215,000) and tax took £1.7m (£1.24m). An extraordi-

nary item of £432,000 (£309,000) covered the losses incurred since the sale of Grundy (Red-dington), which had a poor first half.

Earnings work out at 25.5p (20.8p) per share. The proposed final dividend of 6.15p makes a total of 9p (8p) for the year.

Associated Fisheries slips to £775,000

An 85 per cent rise in operating profits at Associated Fisheries, the food processor and cold store operator, was converted into a 16 per cent fall in pre-tax profits in the six months to June 30 by a decline in investment income and a rise in interest payable.

The taxable result was £775,000 (£918,000) and was struck on turnover down from £48.71m to £37.8m. However Mr Keith FitzGerald, chairman, said that, excluding from the

1989 figure the turnover of DA Macrae, which was merged with Macfish, Geest's fish business, with effect for January 1 1990, resulted in a 6 per cent improvement in group turnover.

Investment income fell to £384,000 (£284,000) and interest payable advanced to £1.01m (£681,000).

Operating profit was ahead at £1.4m (£755,000). Food processing and trading contributed a sharply increased £246,000 (£16,000); cold storage, transport and warehousing was down at £650,000 (£795,000); engineering rose from £57,000 to £230,000; fishing, agency and trading climbed to £568,000 (£309,000), and there was an £11,000 (nil) share of profits of related companies.

There was an extraordinary debit of £10,000 (credit £754,000) and earnings worked through at 2.97p (3.57p). The interim dividend is maintained at 1p.

**Rustenburg Platinum Holdings Limited** Reg. No. 05/22452/06**Lebowa Platinum Mines Limited** Reg. No. 63/06144/06

(Both companies incorporated in the Republic of South Africa)

Highlights from the Chairman's Reviews by Mr P. F. Retief**Rustenburg Platinum**

Gross sales revenues for the year increased marginally to R2.94 billion notwithstanding the lower average US dollar prices received for platinum and its associated metals.

Operating profit declined slightly to R1.5 billion since the increase in the cost of sales, which was well contained compared with inflation, was not matched

by the increase in gross sales revenues. The final dividend was maintained at 185 cents, thus making the total dividend for the year 310 cents, an increase of 3.2% over the previous year. The forty-fourth annual general meeting of Rustenburg Platinum Holdings Limited will be held in Johannesburg on 24 October 1990 at 10h30.

Lebowa Platinum

The year saw a modest increase in gross sales revenue of some 13% to R77.5 million largely as a result of greater production.

Cost of sales increased by 21.1% to R57.8 million partly as a consequence of increased throughput. A maintained final dividend of 5.0 cents per share brought the total dividend for the year to 7.5 cents. Expansion to 100 000 tons per month is well advanced and is expected to be complete by August

1992. This will represent a more than threefold increase in output over some four years. The new metallurgical plant is performing particularly well and record recoveries are being achieved. The nineteenth annual general meeting of Lebowa Platinum Mines Limited will be held in Johannesburg on 24 October 1990 at 09h30.

The Platinum Market

Demand for platinum in 1989 from the automotive, jewellery and industrial market sectors is estimated to have risen by more than 9% to a total of 3.44 million ounces.

For the fifth successive year supply is believed to have fallen short of demand.

Demand from the autocatalyst sector reached an all-time high during 1989. The main growth occurred in Western Europe in anticipation of the stringent emission control requirements expected during 1992.

The jewellery market offset some 11% to a record 1.3 million ounces. In general, the prospects for platinum demand appear to be sound. Environmental awareness and concern would seem to represent a genuine and lasting development. Platinum's role in the fields of air pollution control stand it in good stead in what is shaping up to become the environmental decade of the 20th century.

Prospects

The feasibility study on the Platreef project, jointly owned by Rustenburg and Lebowa, is well advanced and an announcement concerning the establishment of a 300 000 tons per month mine can be expected before the forthcoming annual general meetings. The expansions indicated by existing producers and the advent of new producers will clearly make the

platinum business environment more competitive. Both companies remain committed to ensuring not only that shareholders participate fully in the expected market growth but also that they are best protected to weather any market downturns that are sure to occur from time to time.

Copies of the annual reports and chairman's reviews may be obtained from the London Secretaries, Barnato Brothers Limited, 99 Bishopsgate, London EC2M 3XE.

TOYO MENKA KAISHA, LIMITED NOW TOMEN CORPORATION

U.S.\$20,000,000 7 3/4% Convertible Bonds due 1996
U.S.\$50,000,000 10 7/8% Guaranteed Notes due 1992
U.S.\$120,000,000 4 3/4% Guaranteed Notes due 1993 with Warrants
U.S.\$300,000,000 4 1/8% Guaranteed Notes due 1993 with Warrants
U.S.\$750,000,000 2 7/8% Guaranteed Notes due 1993 with Warrants

Notice is hereby given to the holders of the above bonds, notes and warrants that effective from October 1, 1990, Toyo Menka Kaisha, Limited will change its corporate name to Tomen Corporation.

Neither the bonds, the notes, nor the warrants will be stamped nor exchanged and they will remain listed on the Luxembourg Stock Exchange under the name of Toyo Menka Kaisha, Limited followed by the new name of the company, Tomen Corporation.

All further notices regarding the above referenced issues shall refer to both names.

A complementary legal notice as well as the Articles of Incorporation of Tomen Corporation have been registered with Greffier en Chef du Tribunal d'Arrondissement de à Luxembourg.

September 21, 1990

The Republic of Venezuela Notice

To the holders of the U.S. \$100,000,000 11% Notes Due 1993 of

The Republic of Venezuela

NOTICE IS HEREBY GIVEN that at a Meeting of the holders of the "Notes" of the above mentioned Notes (the "Notes") adjourned to 17th September, 1990, the resolution first set out in the Notice of Meeting dated 14th September, 1990, and the Notice of First Adjourned Meeting dated 11th September, August, 1990 and the Notice of First Adjourned Meeting dated 11th September, 1990 and published in The Wall Street Journal, the Financial Times and the Luxembourg Wort on such dates was duly passed by the requisite majority of the Noteholders.

A copy of the Resolution is available for inspection by Noteholders at the specified offices of the Fiscal Agent, Registrar and the other Paying Agents, the addresses of which are set out below.

FISCAL AGENT, REGISTRAR AND TRANSFER AGENT

Morgan Guaranty Trust Company of New York

Corporate Trust Office, 30 West Broadway, New York, New York 10015

PRINCIPAL PAYING AGENT

Morgan Guaranty Trust Company of New York

Morgan House, 1 Angel Court, London EC2R 7AE

Morgan Guaranty Trust Company of New York

Avenue des Arts, 35, 1040 Brussels

Morgan Guaranty Trust Company of New York

Mentzer Landstrasse 46, 6000 Frankfurt am Main

Swiss Bank Corporation

Aeschenvorstadt 1, P.O. Box 112, CH-4002 Basle

Banking International de Luxembourg

2 Boulevard Royal, 2555 Luxembourg

Morgan Guaranty Trust Company of New York, as Fiscal Agent, for and on behalf of the Republic of Venezuela

Dated 21st September, 1990

US\$250,000,000 ML TRUST XVI

Collateralized Mortgage Obligations

Plaster Class A Bonds

In accordance with the provisions of the Trust Agreement, notice is hereby given that the Rate of Interest has been fixed at 6.875% for the Trust Period of 20th September 1990 through 19th December 1990. Interest earned for this Trust Period is expected to amount to U.S. \$9.00 per U.S. \$1,000 Bond.

PRINCIPAL PAYING AGENT

Trust Company Bank

at the office of its agent at

Trust Company Bank

Company of New York

80 Broad Street

New York, New York 10004

PAYING AND TRANSFER AGENT

Citibank Investment Bank

(Luxembourg) S.A.

16 Avenue Michel-Thorez

L-2012 Luxembourg

Merrill Lynch

International Bank Limited

Agent Bank

THE PROPERTY MARKET

A hiccup on the Eagle's flight

By Nick Bunker

LIFE goes on in the commercial property world, even in the depths of a bear market. The UK's big composite insurance companies may not be glamorous, but they are survivors. And, if the experience of the smallest of them, Eagle Star, is anything to go by, the 1990 slump is an irritating hiccup after several years of strong growth in values, but not much more. "We haven't reduced our development activity. We like to keep up a steady stream," says Mr Ian McInnes, who used to be company secretary of Eagle Star's parent, B&T Industries, but now runs the insurer's £1.37bn portfolio of properties, almost all of it in the UK.

Insurers, of course, work to long term time scales, dominated by the need to match assets against real liabilities to policyholders which stretch 25 years or more into the future. Hence the usefulness of property, as an inflation-proofed, appreciating asset. Not that one composite insurer's portfolio is just the same as any other.

Often there are special features, traceable back to the company's business, or individual history. One distinctive feature at Eagle Star is the big investments in agriculture and forests held within the £7.1bn of assets in its life assurance funds.

Another is the fact that its 1981 takeover of Bernard Sunley Investment Trust brought in a raft of City of London properties which helped give Eagle Star Properties bumper results in 1987 and 1988.

A third is that real estate investments make up about 27 per cent of Eagle Star's own shareholders' funds, an unusually high proportion. Partly, this is because Eagle Star's stronger-than-average balance sheet means it can put more of its investments into risk assets, such as equities and property. But the other, hidden factor is that inside the shareholders' funds is the £5,000 square feet of 1 Threadneedle Street, Eagle Star's old head office site a few yards from the Bank of England,

which it is redeveloping and hopes to let in autumn 1991. "We think it's the best address in London," Mr McInnes says.

But for the most part the similarities between the way the composites look at property probably outweigh the differences between their portfolios. Hence the interest of Eagle Star's experience, as an indicator that as far as the composite insurers are concerned, there seems little evidence of any permanent switch in sentiment against property.

For one thing, the job of managing an insurance company's property portfolio has become more complex. In the past, some big insurers tended just to accumulate real estate, and sit on it. Not that they failed to spot bargains. One of Eagle Star's prize assets is William Kent House, an 18th century mansion behind the Ritz Hotel in Piccadilly, which it bought from Lord Wimborne for £250,000 just after the Second World War. Mr McInnes reckons that since 1979 it has never failed to appreciate in value by more than 20 per cent per annum, albeit assisted by some careful renovation.

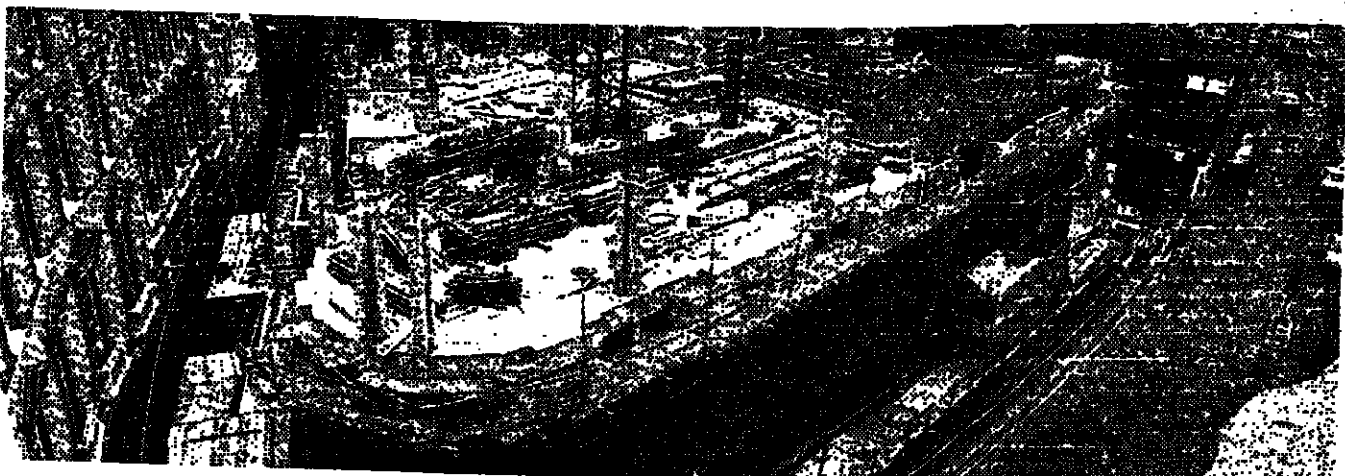
But not every property has that kind of inherent quality. Eagle Star thinks there is no doubt that insurers have had to become better managers, so as to maximise the values of

their portfolios.

"Insurers have had to pull their socks up," says Mr Clive Coates, Eagle Star's group finance director. "We would reckon that we manage our properties in a much more businesslike manner than we did in the past." The other side of the same coin is that the company now pays more attention to asset allocation, assessing the attractiveness of real estate investment as an asset category by comparing it with investment in shares. "We try very much more to plan the portfolio now," says Mr McInnes, whose official title is managing director of Eagle Star Properties. "We look first at the wood, then at the trees."

One implication of this is that Eagle Star now looks at its properties as consisting of a core portfolio - containing items like William Kent House, and some of its forests - and a non-core portfolio of more disposable assets. Another consequence is that rather than moving in and out of the market to try and grab short-term cyclical opportunities, a company like Eagle Star tries to keep its property portfolio growing at an even pace.

The company's 10-strong development team is not one of the industry's biggest - "We like to keep it small," says Mr McInnes, who thinks the team



1 Threadneedle Street: Eagle Star is developing what it describes as the "best address in London" for possible letting in autumn 1991

should stay close to the market by using external advisers - but it aims to maintain a constant stream of new projects. What it does not do is to buy many completed properties from developers, for the simple reason that it wants control over quality from start to finish.

Hence Eagle Star has recently finished retail developments in Falkirk and Southport, but it has more planned. This summer, it completed and let two large London office developments, at Stratton Street in Mayfair, and Gutter Lane in the City, accounting between them for 100,000 square feet-plus. But aside from 1 Threadneedle Street, which is something of a special case, it still has on the go further office schemes, at Ludgate Hill, and in Glasgow and Manchester, which it thinks offers

some of the best potential.

The field where it is looking out for attractive bear-market opportunities is industrial land, which accounts at the moment for only about 4-5 per cent of the properties in its fund, which it thinks is too little. So Eagle Star has been back in the market, recently buying some land on London's Western Avenue.

As for Eagle Star's fat holdings of agricultural property and forests - in part a legacy of the Mountain family, which ran the company before BAT took over five years ago - much of it seems destined to stay for the long term. With 44,369 acres of farms, most of them either on two Hampshire estates, or in parts of Scotland such as the Black Isle north of Inverness, Eagle Star is an unusually large country landowner, even after taking

advantage of the strong market in private estates to sell 3,000 acres of Norfolk in one go last year.

As for timber, the Mountains began buying Scottish estates in the mid-1950s, and the company still has 40,000 acres. So on the face of it, the Eagle Star forest and farmland investments look abnormally large, at 8 per cent of its life assurance fund. To some extent, Eagle Star agrees. "The proportion is about as much as we would like, so now we're refining our portfolio," says Mr McInnes. More sales, like the Norfolk transaction, could be on the way. And in Hampshire, Eagle Star has a well-publicised and predictably controversial scheme for turning some of its farmland around what Mr McInnes calls a large-scale housing development.

But Eagle Star remains very

committed to forestry. The rationale is that it thinks timber makes eminent sense for a long-term fund like a life insurer, with liabilities stretching several decades into the 21st century. "One reason we went into forests is that they're an asset that matures over 40 years, longer than any gift you can buy," says Mr McInnes.

In addition, the annual rate of return has averaged out at 4 percentage points ahead of inflation. So Eagle Star has stepped up its forestry activities since the takeover by BAT. It has developed new forests in the rain-soaked west of Scotland, and built closer links with paper and pulp manufacturers, such as United Paper of Finland's new Shotton mill in Wales. Forestry also sums up what Mr McInnes calls about property. "It's something you can touch and feel," he says.

	RENTAL GROWTH (%)			
	Retail	Office	Industrial	All property
Year to July '90	8.0	10.5	15.5	10.3
Quarter to July '90	1.8	0.8	2.0	1.3
Month of July '90	1.0	0.1	1.1	0.6

Investment Property Database

CAPITAL CONTRIBUTION £225,000

PRIME AIR-CONDITIONED OFFICES
IN THE HEART OF LONDON'S WEST END
APPROX 11,300 Sq. ft.
READY TO OCCUPY
ELEVEN CAR PARKING SPACES

YORK HOUSE
17 GREAT CUMBERLAND PLACE
MARBLE ARCH W1

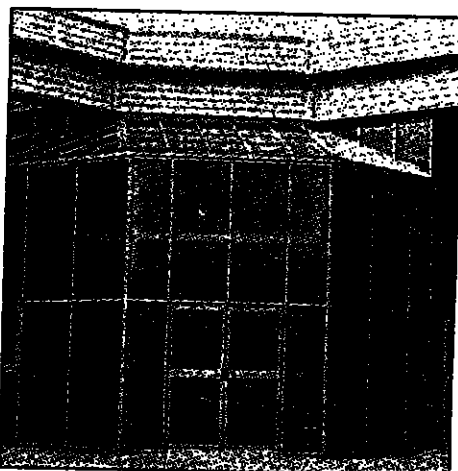
FOR FURTHER INFORMATION APPLY

St Quintin
071-499 8626

Hillier Parker
071-629 7666

EDWARD CHARLES & PARTNERS W1
CHARTERED SURVEYORS
071-935 2811

TRAFFORD PARK, MANCHESTER THE BEST VALUE HI-TECH BUSINESS SPACE



Two storey business units offering a flexible use of business and production space.

Substantially cheaper than neighbouring Salford Quays; from only £5.50 per sq.ft.

This outstanding development has already attracted companies such as Kimberly Clark and the Tootal Group - make sure your company is next on the list.

WESTPOINT
Enterprise Park, Manchester
PHASE 3

THE Elliott Partnership
061-834 0011

BALTIC

Grimes, R & Co
061-834 7187

CLASSIC CAR EXHIBITION: OPEN DAY FRIDAY 28TH SEPTEMBER 11 AM - 6 PM.
PLEASE CONTACT AGENTS FOR FURTHER DETAILS

Berkeley Square W1

Immediately available - luxuriously furnished, self-contained, air-conditioned double office suites with full service/term by arrangement. Suitable for two/three executives.
For full details please contact:
Nightingale Secretariat,
3 Berkeley Square,
London, W1X 5HG
Tel: 071-629 6116
Fax: 071-491 4811

SERVICED OFFICES TO LET
N.E. BIRMINGHAM AREA
Excellent location Adjacent M5/M6
Fully furnished with all Bureau Services
Conference facilities
No Lease
WALSALL BUSINESS CENTRE
Tel: 0922 784572

LONDON - SW 1

19-20 GROSVENOR PLACE

8-9 CHESTER CLOSE

22,769 sq ft
Long Leasehold
Interest For Sale
with Vacant Possession

HERRING SON & DAW
071-734 8155

PRIME CITY OFFICE INVESTMENT FOR SALE OVER 8% NET

Phillip Sinclair Knight
131 Baker Street London W1M 1PG
071-486 7707

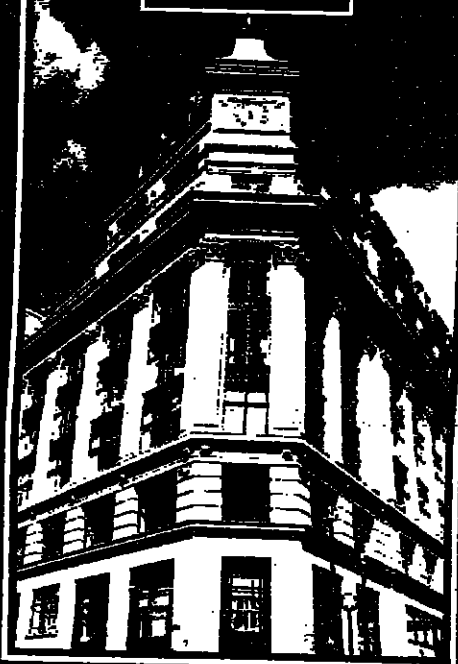
Connell Collier Madge
25 NEW STREET SQUARE - LONDON EC4A 3ET
071-353 9161

ASCOT ENGLAND

A PRESTIGE NEW HEADQUARTERS OFFICE BUILDING
7,896 square metres
SET WITHIN A 3.03 Ha MATURE WOODLAND
ENVIRONMENT WITH EXCELLENT ON SITE CAR PARKING

All Enquiries
Write box A940, Financial Times,
One Southwark Bridge, London SE1 9HL

48
LEICESTER SQUARE



SUPERB OFFICE
SUITE TO LET WITH
PANORAMIC VIEWS
OVER CENTRAL LONDON
48 LEICESTER SQUARE
LONDON WC2

2,340 SQ. FT.

SALLMANNS 071-409 2222 BAKER LORENZ 071-409 2121

BERKELEY STREET W1

Office suites 480 sq ft - 1100 sq ft from £16.93 sq ft
Pyle Owen & Partners
071 323 6644

City Road, London EC1

new office building, 7500 sq ft, marble lined entrance. Freehold for sale on most realistic terms £1.75 million.
Phone owner 081 446 9013

SWANSEA FIRST CHOICE FOR PROPERTY HIGH TECH BUSINESS PREMISES

£3.75
SQ. FT. PER ANNUM

PARK PAVILIONS

Unit 1, 20,000 sq. ft.
Unit 2, 10,000 sq. ft.

These purpose built detached and double glazed hi-tech pavilions from Enterprise Zone Developments, located in parkside setting in the most prestigious sector of the Enterprise Zone offer high quality office content.

NO UNIFORM BUSINESS RATE TILL JUNE 1991

A Project By

Enterprise Zone Developments

Send for details of Park Pavilions, other properties, grants and incentives to:
TO: MICHAEL BURNS, SWANSEA CENTRE FOR TRADE & INDUSTRY,
SINGLETON STREET, SWANSEA SA1 3QH. TELEPHONE: (0792) 476660



NAME
COMPANY
POSITION
ADDRESS
TEL.

FT 21/9/90

UNITS 3/4 RIVERSIDE INDUSTRIAL ESTATE

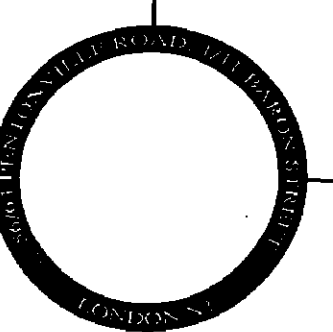


MARKET
HARBOROUGH
LEICESTERSHIRE

EXCELLENT
SINGLE STOREY
FACTORY/
WAREHOUSE

(APPROXIMATELY
14,000 SQ. FT.)

CONWAY MORRIS
SURVEYORS, VALUERS, ESTATE AGENTS
27a, Cannon Street, Mayfair, London W1T 7TE
071-409 2200

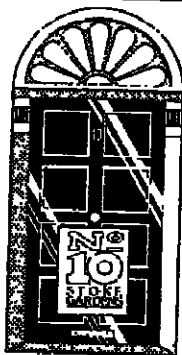


OFFICE DEVELOPMENT SITE FOR SALE
WITH DETAILED PLANNING CONSENT
80,000 SQ FT NET
OF INTEREST TO OWNER OCCUPIERS
AND DEVELOPERS
CONTACT SOLE AGENTS

CHARLES BRADSHAW

TIM ROSENBERG

GOOCH & WAGSTAFF
Commercial Property Consultants
11 Colindale Avenue, London NW9 1BE
071-248 2044



RAFFERTY BUCKLAND
Commercial
(0753) 850311

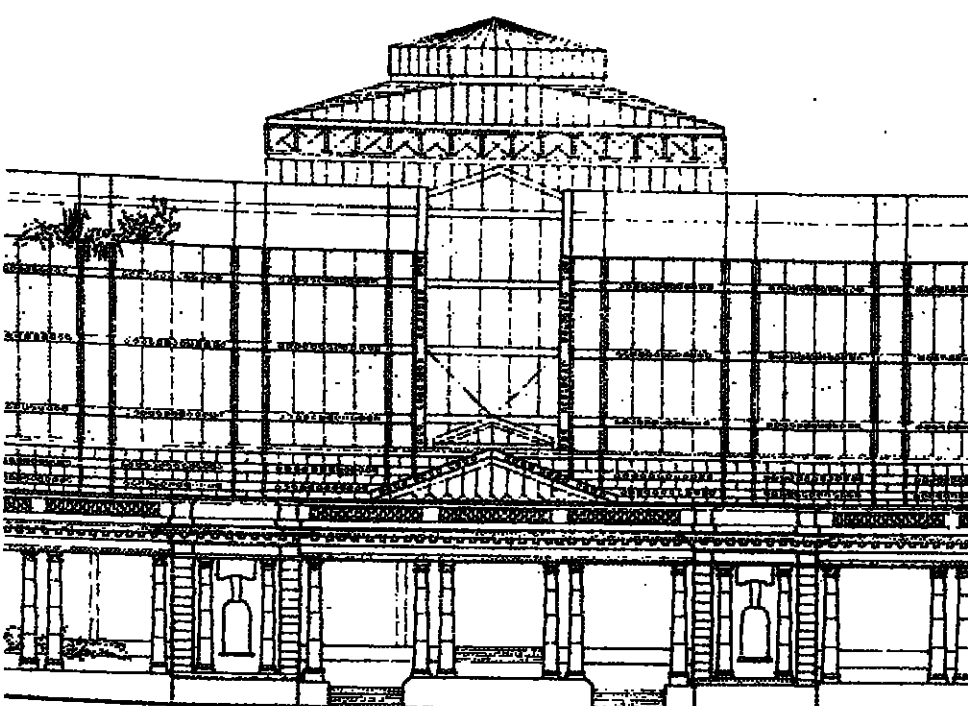
THE ONLY ADDRESS WORTH HAVING

SUPERB
NEW OFFICES
FOR SALE
TO LET
7,100 SQ FT

Chesterton
0734 502525
2 Grosvenor Street, London EC2A 3JA
071-499 0404
24 Moor Street, London W1A 2BU

S. L. O. U. G. H

071-248 2044

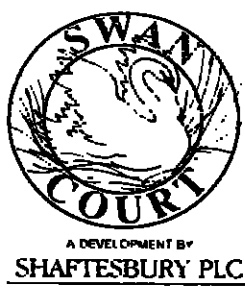


Architecturally Outstanding New Offices in Victoria

First Floor 38,300 sq.ft.
Second Floor 18,500 sq.ft.
56,800 sq.ft.

Available long or short term
in units
from 7,500 sq. ft.

**MORGAN
GREENFELL
LAURIE**
18 - 20 Graham Street, London W1A 1HD
071 493 7050



London Bridge, SE1
650 sq. ft. to 17,000 sq. ft. approx.
OFFICES TO LET
Flexible lease terms

E.A. SHAW
071-403 7250

Henry Davis City
071 588 4433

53 CLAPHAM COMMON SOUTHSIDE SW4

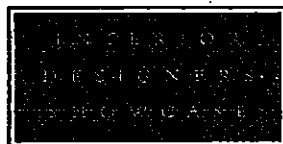
5820 sq ft total refurbishment of
grade II listed building to let or sell
car parking spaces, gas central
heating, passenger lift, kitchen,
entry phone, male and female wc's,
burglar/fire alarm, high quality
carpets. (Tel 071-493 9828, Lanyon
Fleming or 071 434 9272, Farrer
stead & Glynn).

Looking for an Interior Designer in London?

Call Interior Designers
Showcase and solve your
problem immediately.

Whether it's planning a
project in London or else-
where; a house or apartment;
commercial office or hotel,
make a private appointment
with Interior Designers Show-
case to view the exclusive
portfolios of the top designers
and architects in England.

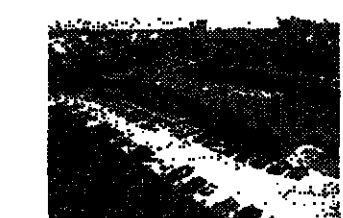
From traditional to high
tech; from classic to modern,
you decide who you would
like to meet and we'll arrange
a meeting at your convenience.
We'll also offer you access
to our extensive library of
books and magazines to help
pinpoint your requirements.
Call or write to Interior
Designers Showcase for
further information.



26 Eaton Terrace London SW1W 8TS. Fax: (071) 824 8897
Telephone: (071) 824 8999

THE SANCO SPORTS HEALTH AND LEISURE COMPLEX KIDBROOKE, LONDON SE12

A substantial Freehold sports complex of approx.
32,000 sq. ft. with detached four bedroom house set in
approx. 12.5 acres.



- 3 Football Pitches
- Indoor Swimming Pool Complex
- 4 Squash Courts
- Gymnasium
- Badminton Court
- 4 Floodlit hard Tennis Courts
- Snooker Hall
- Licensed Bar and Banqueting Area
- Car Parking for 150 cars.
- Planning permission for Golf Driving Range and two additional indoor Badminton Courts
- Further consents for partial change of use for educational purposes.
- Suitable for conversion to conference centre, training college or full residential educational establishment (subject to consents).

For Sale by Auction
(unless previously sold or withdrawn)
Tuesday 16th October 1990
Commencing at 11.00 a.m. precisely
at
The Berkeley
Wilton Place, London SW1.

ALLSOP & CO
27 Soho Square, London W1V 6AX
Tel: 071-437 4677
Fax: 071-437 8984 Telex: 267397

COMMERCIAL PROPERTY CONSULTANTS

Enterprise Zone Investments
FOR SALE
Superb New Offices and Warehouses
GATESHEAD - TEAM VALLEY
ROTHERHAM - PARKGATE
MASON
OWEN &
PARTNERS
051-236 2356
All Enquiries Contact
Nigel Waterworth

ECONOMIC OFFICES

**PUTNEY BRIDGE SW15
(ADJ.)**
SUPERBLY REFURBISHED
S/C OFFICES TO LET
AS A WHOLE OR IN FLOORS
3/9,900 SQ.FT.
ONLY £17 PER SQ. FT. FOR ENTIRE
MOSS & PARTNERS
5 TILNEY ST. LONDON W1
071-629 9933

Office property in North London!

Successful German capital
investor seeks office
property up to £3 Million in
North London.
Please contact our estate agent:
Margrith Zickler
Immobilien GmbH
Tannenstr. 2
G - 7410 Reutlingen
Fax: Germany 49-7121-53619

30,000 sq ft Prominent Headquarters offices London E3. Economical terms. Available in floors from 2000 sq ft. Private car parking. Alan Selby & Partners 071 729 3585. Ref: M.P.

UNIQUE FREEHOLD PROPERTY OPPORTU-
NITY. Freehold building commercial 860
sq.m. x 3 one bed aparts. Superb condi-
tion. 168,000. Tel owner 071 724 9377 for
details.
SHORTLONG TERM furnished offices in W1
- available now Tel: 071-724 7222
LAND AVAILABLE IN CHESTER 1 1/2 acres
residential 1 1/4 acre. White Box H201.
Financial Times, One Southwark Bridge,
London SE1 9HL.

FOR SALE
Retail Investment
Principal Shopping Town,
North East England
* Excellent Rental Growth Prospects *
* PLC Covenants *
Contact:
Colliers Stewart Newells
(081) 222 2028

On the instructions of
DL & P Luck
ATTRACTIVE, DISTINCTIVE
OFFICE BUILDING
in pleasant location
**SOUTHFIELDS,
BASILDON, ESSEX**
14,650 sq.ft.
Suites available 750 - 5,800 sq.ft.
Completion August 1990
apply sole agents
GLenny
0268 540771

INTERNATIONAL PROPERTY

COTE D'AZUR Nr Monte Carlo 4 STAR 60 ROOM HOTEL FOR SALE

Fine quality hotel of 35 bedrooms with en suite
bathrooms. Restaurant heated swimming pool &
conference room all air conditioned and in
excellent order and set in 1 acre with plans &
permission to construct a further 25 double
rooms. For sale before or after construction of
extension. Fax France (33) 93 01 19 05.

PORTUGAL - ALGARVE

Urban Development of 25 acres of land for
SALE.
Marvellous situation overlooking the coast
from Olhao to Vila Moura. Licence (alverá)
for splitting into 41 lots (37 villas and 4
commercial use) and constructing
infrastructure is guaranteed.

Write to Box A904, Financial Times,
One Southwark Bridge, LONDON. SE1 9HL

BRISTOL FULLY SERVICED OFFICES

- Luxurious and flexible in size.
- Services - free parking, receptionists, rates, heating, electricity, cleaning.
- Optional services - language translation, fax, photocopying, secretaries, boardroom, TV/Video and AV.

(0454) 617247
European
OFFICES

WALK IN AND WORK
Fax (0454) 617236
**NEAR M4/M5
INTERCHANGE**

FOR SALE IN ITALY

Land for the location of a tourist
hotel complex including:
- a village, hotels, rows of villas,
residences, apartments, commercial
centre. The location will be
equipped with a multi-function
sport complex.
Wooded area with century-old pine
trees for about 5 km., with level
sandy shoreline. Located on the
Ionian sea.
SIZE: 400 M. 1,050,000
DEVELOPABLE AREA: M²
420,000
Negotiations with companies with
references. Principals only. Please
write to:
Genn. A. Mazzoni,
Via S. Trinchese, 44,
71000 LECCE, ITALY.
Tel: 010398324245.
Fax: 010398324153

PORTUGAL

UNIQUE INVESTMENT
OPPORTUNITIES IN LISBON &
THE ALGARVE
Property Promoters and Investment
Partners are seeking for a number of
Residential & Commercial
Developments
Contact:-
AUDE MARGAID - PROPERTY
CONSULTANTS
37 Rue de la Paix Paris
33000 BORDEAUX - FRANCE
TEL: (33) 56 44 48 30

INTERNATIONAL BUSINESS PARK MADRID

A 44 hectare development ideally situated at the
Alcala exit from the Madrid - Barcelona motorway
and 15 kms from Barajas Airport.

ALCALA is a picturesque university town in the
outskirts of Madrid.

A high specification development of low density
offices, research facilities and light industrial
workshops and warehouses. Fully serviced
building plots available Spring 1991. Buildings to
your specification for occupation Summer 1991.

Preliminary Enquiries to:

R. Folwell
Silcock Express Group, Judd House,
Ripple Road, Barking, Essex IG11 0TU
Phone: 081 592 6666 Fax: 081 517 0030

PRIME MISSISSIPPI DELTA Rice, Cotton & Soybean Plantation

Southern Farmland Investments Ltd. is offering for sale a
unique investment opportunity consisting of 1,970 acres of
highly improved irrigated farmland. This investment
promises a significant annual return from farm rent, along
with an opportunity for future appreciation as Delta land
values continue to increase from their lows of the 1980's.

For more information please contact Southern Farmland
Investments Ltd., Post Office Box 63, Shelby, Mississippi
38774, or call 601-398-5121, or FAX 601-398-5079.

PERSONAL

PUBLIC SPEAKING Overcome the fear and
nervousness of public speaking. Phone
Leadership Skills Training. Tel: 0727
821380

ART GALLERIES

**JULIAN
TREVILYAN,**
etchings available from
sole agent. Bohun Gallery,
15 Reading Rd. Henley,
Oxon
Tel: 0491 576 228.

BUSINESSES FOR SALE

FOR SALE

Lloyds Underwriting Managing/Members agency.

Principals only write to Box H7297,
Financial Times, One Southwark Bridge,
London SE1 9HL

FOR SALE

Well established profitable
business newsletter with t/
o of £300-plus. Genuine
reason for sale. Serious
enquiries only.
Write to Box H7396, Financial
Times,
One Southwark Bridge,
London SE1 9HL.

ONE OF A KIND OPPORTUNITY

Earn \$60,000 a month. Three major
brand petrol stations on prestigious
highways in Southern Califor-
nia, 1989 sale over \$6 million,
priced at \$2.5 million. Terms avail-
able.
Tel (714) 683 7343
Fax (714) 683 7343

BUSINESS AND ASSETS of solvent and
insolvent companies for sale. Business
and Assets. Tel: 071-882 1164.

COMPANY NOTICES

RAND MINES GROUP

ANNUAL GENERAL MEETINGS

Notice is hereby given that the annual general meetings of the undermentioned
companies will be held in the auditorium, Lower Ground Floor, The Corner
House, 63 Fox Street, Johannesburg on the dates and at the times shown:

Name of Company (both of which are incorporated in the Republic of South Africa)	Date of Meeting	Time of Meeting	Closure dates of Registers of Members (inclusive)
BLYVOORUITZICHT GOLD MINING COMPANY LIMITED (Registration No. 05/06743/06)	18.10.90	11am	13th to 18th October 1990
HARMONY GOLD MINING COMPANY LIMITED (Registration No. 05/06232/06)	18.10.90	12 Noon	10th to 18th October 1990

Registered Offices:
15th Floor
The Corner House
63 Fox Street
Johannesburg 2001
14th September 1990

CONSOLIDATED MURCHISON LTD.

Incorporated in the Republic of South Africa
Closing of Transfer Books and
Registers of Members
Notice is hereby given that the transfer books
and registers of members of the Company will
be closed for the period 25 to 31 October 1990,
both dates inclusive, for the purpose of
determining those persons entitled to attend the
Annual General Meeting.
By Order of the Board
Anglo-Tanzanian Trusts Limited
London Secretaries
per D.J. Adams
21 September 1990

**LEUMI INTERNATIONAL
INVESTMENTS N.V.**
US \$ 60,000,000 GUARANTEED FLOATING
RATE NOTES 1991
The interest rate applicable to the above
Notes in respect of the six month period
commencing 21st September 1990 has
been fixed at 8 1/4% per annum.
The interest amounting to US \$42.42
per US \$1,000 principal amount of the
Notes will be paid on 21st March 1991,
against presentation of Coupon No. 18.
BANK LEUMI TRUST CO OF NEW YORK
Principal Paying Agent
bank leumi בנק לוי

THE GOLD EXEMPT FUND

NOTICE IS HEREBY GIVEN that a Meeting of Holders of
Units in The Gold Exempt Fund will be held at The
Bank of Nova Scotia Trust Company (Cranston)
Limited, Cranston House, George Street,
Johannesburg on the 10th day of October 1990 at 10.30
a.m. (local time) on the following resolutions:
1. That the Meeting of Holders of Units of The
Gold Exempt Fund, constituted, convened and
subject to Resolution 2 set out herein being
held by the Bank of Nova Scotia Trust Company
(Cranston) Limited, Johannesburg, on the 10th day
of October 1990 at 10.30 a.m. in the
forenoon to receive the Directors' Report and
to elect Directors to the Board of the Fund for
the year ending 31 December 1990, to elect
Directors to the Board of the Fund for the year
ending 31 December 1990, to elect Directors to
the Board of the Fund for the year ending 31
December 1990, to elect Directors to the Board
of the Fund for the year ending 31 December
1990, and to transact any other business of the
Fund.

By Order of the Manager
M. & S. (Cranston) Limited
P. BAXTER
Secretary
Dated 10th October 1990
Any Holder in the Fund entitled to attend and vote
at the above meeting may appoint one or more
proxies in his or her or proxy to attend and vote
as he or she may direct. A proxy need not be a Holder in the
Fund. Holders of Deben Certificates who desire to attend or
be represented at the meeting must deposit their
Certificates with the Bank of Nova Scotia at 10
Berkeley Square, London W1X 6BN on any
business day between the hours of 9.30 a.m. and
3.00 p.m. and in any event not later than 10.30 a.m.
(local time) on 9th October 1990, against the issue
of Voting Tickets. Only the person named in such
Voting Ticket shall be entitled to attend and vote in
person or by proxy. If such person desires to
appoint a proxy he must complete the form of
proxy on the reverse of the Voting Ticket and the
form must be received by the Managers at P.O. Box
706, Grand Canyon, Johannesburg, not less than
forty-eight hours before the time of the
meeting. Proxies may be deposited with the
Managers in detail with the arrangements
referred to in Resolution 2 above whereby it is
proposed with effect from 9.00 a.m. (Guamany
time) on 9th October 1990 the Fund should be
transferred to Guernsey where it would be
managed by M. & S. (Guernsey) Limited acting as
trustees.

SENNAH RUBBER COMPANY PLC

NOTICE IS HEREBY GIVEN that the
Seventy-third Annual General Meeting of
the Company will be held at 4 Ave-
nue d'Alsace, Luxembourg, on
Tuesday 19 October 1990 at 10.00
in the forenoon to receive the Directors' Report and
to elect Directors to the Board of the Company.
The Dividend recommended by the
Board is of 80p per £1 share (gross),
if approved at the Annual General
Meeting, will be payable on 18 October
1990 to members on the register at
3.00pm at the above address.
Coupon Number 28 from share war-
rants to bearer must be presented,
through an Authorised Depositary, to
the London Paying Agents, Standard
Chartered Bank Plc, Current Accounts
Securities Department, 37 Gracechurch
Street, London EC3N 3BN, for payment
on or after 18th October 1990, showing
three clear working days for checking.
Coupons must be submitted on an
special form which can be obtained in
advance from the bank, if dividends
are being claimed from London Paying
Agents without deduction of United
Kingdom tax for non-residents, the
coupons must be accompanied by a
certificate.

By Order of the Board
INDUSTRIAL & COMMERCIAL SECURE-
TARIAT LIMITED
Secretaries
Thames
Orchards
OXON
ENGLAND

In order to be entitled to attend and
vote at the above-mentioned Meeting
holders of Shares must deposit their
Share Warrants not later than 4 Octo-
ber 1990 at the above address.
Every member entitled to attend and
vote at the above-mentioned Meeting
is entitled to appoint one or more
proxies to attend and vote on a poll, vote
instead of him, and any such proxy
need not also be a member of the
Company.

INTERNATIONAL PROPERTY

U.S.A. SHOPPING CENTRES

Fully developed. Fully ranked.
Prime locations. Westchester,
Putnam, Dutchess counties in
New York state.
Select Properties
344 Main Street
Mt. Kisco, NY 10549
Phone: (914) 664-0400 USA
Fax: (914) 664-9436

GOLF PROJECTS SPAIN AND MAJORCA

Sites available Barcelona, Tarragona
and Majorca. Full planning
consent for golf/hotel/villa centres.
Championships of France.
UK Tel 071 526 9541
Fax 071 722 8734
Fr tel 010 33 21 43 10 22
Fr tel 010 33 21 83 11 16
SUBURBAN WASHINGTON, D.C. Desirable
land assembly opportunity at Arlington,
Virginia metro stop. Key 23,000 sq. ft. par-
cel controls 3 acre assembly. Zoned for
high-rise office or apartment development.
Fax inquiries to 703-241 7730 (USA).

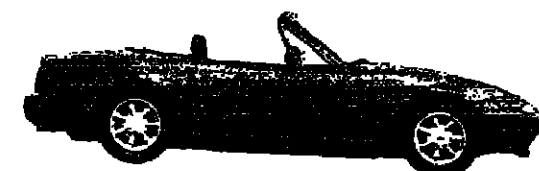
BUSINESS SOFTWARE

A selection of software packages to
suit your business needs appears every
Saturday in
the WEEKEND FT.

Order your copy today.



With a tube of chrome yellow, Van Gogh forever changed the way we look at a sunflower. He was driven by a passion for self expression; the need to create something from within. In his own words, "There is something deep inside me. What can it be?" In 1920, a Japanese man – Jujiro Matsuda – was also driven by a passion. He dreamt of a company fashioned in his own image, but he didn't give it his own name. Instead, he named his cars after the ancient god of light: Mazda.



AUTOMOBILES

On the road to civilization. **Mazda**

MANAGEMENT

The garish red-and-black sign for the latest Western implant on the Moscow streets — Pizza Hut — glares out incongruously at the Victory Monument on Kutuzovskiy Prospekt.

It seems to be a deliberate challenge to a classic piece of Brezhnev-era sculpture; they are both symbols of their time. For the Pizza Hut restaurant, gleaming in the general shabbiness of a Soviet street barely a week after the opening ribbon was cut, already boasts a semi-permanent queue of patient citizens waiting in all weathers for a taste of the West.

It looks easy from the outside, an identikit restaurant you could have found in Hull or Helsinki, or Halifax, Nova Scotia, simply transported to the Soviet capital as the latest tribute to perestroika, and Mikhail Gorbachev's opening up the economy to the West.

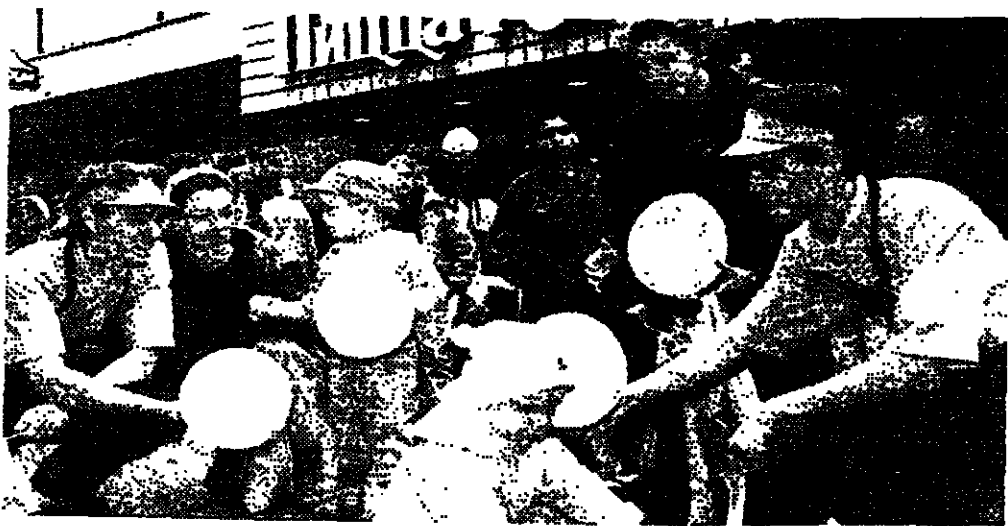
Yet in reality, behind the broad smiles of PepsiCo executives at the opening ceremony lay three years of alternating hope and despair, as they sought to bridge the business culture gap between East and West.

A small army of imported managers, trainers, builders and bricklayers has been involved in the effort to get the restaurant up and running, and to put in place a whole supply network for the raw materials necessary to keep it running. In the process, PepsiCo, which owns Pizza Hut, has been forced to turn many of its company preconceptions upside down, and its Soviet partners have been forced to do the same.

The very first problem was just understanding what each side wanted. The idea came from a meeting back in 1987 between Anatoly Dobrynin, then Soviet ambassador to Washington, and Donald Kendall, chairman of PepsiCo, and a long-time trader with the Soviet Union. Why not open a Pizza Hut in Moscow?

"Don Kendall gets the request and passes it down on our side. We can't be sure it is always passed down on the Russian side," says Andy Rafalat, the man hired by PepsiCo from Marks and Spencer who has had the unenviable task of making the project a reality in the Soviet Union.

"The first people we met here were construction people. They simply wanted to build a pretty restaurant. We said, our job is not about buildings, it's about a system of management. It all dragged on and on, and after 18 months we were



Pizza Hut gives food for thought to Soviets

Quentin Peel on the travails of opening a restaurant in Moscow

told there was no real interest in developing Pizza Huts at all.

Then suddenly, another partner appeared — the Moscow city council restaurant management agency — which seemed to understand, and the project was on again. But the negotiations to set up a joint venture still took a year.

"They had no concept of the difference between a big company and a small company. Culturally, they couldn't understand the difference between a small Vietnamese restaurateur and a multinational chain," says Rafalat.

"We had to work out a book of rules. That took time. The words we were using had a totally different meaning to these guys."

"We both wanted the thing to work, but we had a tremendous communication problem, even with good interpreters," he says.

Both sides had to find an answer to absolutely basic questions, like staff hours, and opening hours. "We said 365 days a year. They said that's impossible. You must close down for 'hygiene days'. We said we clean up as we go along."

The next question was how to manage the venture. "Our experience is that to make joint ventures work, you have to give the local management team the running of the busi-

ness. I will be called the deputy general manager. I will be like the coach, training the people round me, not taking an active part in the business."

As for finding the right people, "we had to turn our personnel rules upside down. All the good English speakers are academics, so that was no good. Instead, we chose people who were as near to street-wise as possible."

The general manager, Alexander Antonyan, ran two of the best-operated restaurants in Moscow. His restaurants were clean. The staff smiled. He knew what his sales and profits were. As for the finance director, Olga Ignatova, she was poached from the opposition — she was the economist on the Moscow city council team during the negotiations.

"We wanted people who understand both systems," Rafalat says. "We told them to take a look at the UK system, and then decide how it could best work in Moscow. Taking people out for training meant they came back totally different people. Telling them the same thing here had no meaning. It was only when they went to London and saw our restaurants working that the penny really dropped."

The next massive headache was to find supplies. "Inevitably, Pizza Hut gets compared with McDonalds,

which got the kudos, and the massive publicity hype, of opening first in the Soviet capital. The truth is that the two companies have gone about their ventures in totally different ways."

McDonalds sought to insulate its operation as much as possible from the appalling supply bottlenecks, bad quality, and sheer unpredictability of the Soviet system. It set up a supply line from the farm gate, through its own \$50m processing plant, to the fast food kitchens.

Pizza Hut has decided to try and work within the system. The investment is far less (although just opening two restaurants has cost about \$10m, including purchasing refrigerated trucks to ensure regular deliveries). And the ultimate viability of the operation, the company believes, is much greater than if it were kept more remote from Soviet management and supply lines.

Supply headaches are one of the two biggest problems for Western joint ventures in the USSR. The other is how to make hard currency profits to satisfy the shareholders back home.

Andy Rafalat had to find mozzarella cheese in the Soviet Union. For months he scoured the country for a processing plant, eventually finding one miles away from Moscow.

"It's better to take some pain

up front, and work with local suppliers," he insists. "For the cheese, we couldn't find any body even interested in supplying us. Finally we found one in Minsk — 300 kilometres from Moscow — somebody who had been touched by Western thinking. He was happy to give it a try. We provided the equipment, he made the cheese. Now we're prepared to pay for new equipment — in hard currency — when he needs it."

As for meat toppings, Pizza Hut failed completely to find a local supplier. Both quality and reliability were missing from every Soviet meat plant they looked at. Finally, they heard that Pizza Hut's Swedish supplier was interested in setting up a joint venture itself with a Soviet partner in Moscow, so Pizza Hut guaranteed it orders for a healthy proportion of the output.

The real challenge will come in the winter, when all fresh supplies in Moscow vanish, and everyone survives on pickles. Pizza Hut may have to do the same.

But it is the financial side which will ultimately decide the fate of the experiment. The hard currency costs have already been very heavy — the restaurants themselves were kitted out by importing practically every nut and bolt — but the hard currency revenues are likely to be unpredictable.

Costs were three to four times higher than they would have been in Western Europe, once all the imported labour and materials had been paid for.

Now the viability depends on two things: how much of the supplies can continue to be guaranteed in local currency, and how many foreigners can be persuaded to use the hard currency half of the restaurants. Prices have been fixed so that they are roughly comparable to those in the outside world — for the foreigners — and what the market will bear, for the locals.

Yet the whole financing may have to be rethought if the Shatalin programme of economic reforms currently under discussion in the Supreme Soviet is approved. For then all hard currency shops and restaurants will be phased out, stopping use of foreign exchange, in order to restore some faith in the benighted rouble.

Andy Rafalat is calm even about that. "We have set up the whole operation to stay flexible. That is really the secret of it. We have simply got to react to the circumstances as they arise."

Why managers carry cases

Barbara Durr on an experiment at the Hyatt hotel group

On September 26, don't be surprised by attention of a slightly different kind at Hyatt Hotels. The company is putting its corporate staff in the field as doormen, food servers, and front desk attendants to gain an appreciation of what the other side is like. Hyatt calls it "In Touch Day."

Hyatt carried out the same role reversal last year and found that managers had their eyes opened about how day-to-day hotel work was accomplished, says Tom Pritzker, the 39-year-old president of the family-owned Hyatt Corporation, which is based in Chicago.

Although originally the idea was conceived as a sort of morale booster for lower level employees, Pritzker found that the bigger impact was on management. Managers realised, he said, "how much more important employees in the field are."

The overall object of the exercise is to improve service. With most competing quality hotels looking alike these days, outstanding service will be the only way to gain customer loyalty, Pritzker says. And, he adds, managers must realise that the employees who are on the front line in providing services to customers will determine the fate of the business.

Management abstracts

Contracting out work can affect company profitability. *S Braithwaite in European Management Journal (UK), Mar 90 (3 pages)*

Contents that contracting out aspects of company operations such as component manufacture, cleaning or security, while often reducing costs, carries with it the possibility of creating or increasing risk. Offers examples of these and other kinds of dangers inherent in contracting out, and examines ways in which companies can protect themselves.

Bringing automated support for large groups. *A R Dennis + others in Information & Management (Netherlands), Mar 90 (11 pages)*

Previous research into electronic meeting support has

indicated a group limit of 16 for maximum effectiveness, a system is outlined here to attempt to extend that limit using newly designed software in a specifically designed meeting environment. Applies tools such as electronic brainstorming and issue analysis to the annual strategic planning of the meeting at the guinea pig, Burr Brown (a US electronics manufacturer). Claims successful results, measured in terms of participants' reactions.

Firm ownership and host government restrictions. *B Comes-Casseres in Journal of International Business Studies (US), Vol 21 No 1 90 (19 pages)*

Shows that when companies set up foreign subsidiaries, they do not always find it possible to make the arrangements for ownership which they would prefer, as the government of the host country may impose conditions/restrictions. Reports on research which shows that, where

restrictions exist, certain factors hitherto considered to have a strong effect on the negotiating process, such as R&D intensity, are actually less important than usually assumed, while others (eg market attractiveness, size of subsidiary), play an important part.

The importance of work goals. *J Harpaz in Journal of International Business Studies (US), Vol 21 No 1 90 (19 pages)*

Adds to the "vast literature relevant to the operationalisation of work goals" by presenting the results of an enquiry among over 8,000 employees in seven countries as to 11 job criteria they valued most highly. Overall, interesting work and good pay came out on top, though there are national differences.

These abstracts are condensed from the abstracting journals published by Alder Viewpoint Publications. Complete copies of the original articles may be obtained at a cost of 15 each (including VAT and p.p.c. costs) from Alder Viewpoint Publications, 2000 West Yorkshire Rd, Leeds LS10 1JF.

Kevlar*, Nomex* and Tyvek*: Three lifesavers from Du Pont.

When Captain Brown and his men go into action, they have to be quick but cautious. Their task is to protect people and the environment, in particular against dangerous toxic substances, contaminated dust and similar hazards. Protective clothing can be a matter of life or death, in this job as well as in many others. For example, in bullet-resistant vests, or flame- or chemical-resistant overalls, KEVLAR and NOMEX III fibres and TYVEK spunbonded olefin play a vital role.



Chemical protective clothing made from TYVEK (Dow Chemicals-La Roche Inc.)

Tyvek also guards against invisible hazards.

Protective clothing of TYVEK is used wherever people come into contact with toxic substances or aggressive chemicals. TYVEK is a non-woven fabric that acts as a barrier. Not even minute pollutant particles or bacteria measuring no more than half a thousandth of a millimetre can penetrate this highly dense material. Garments made from TYVEK not only keep out asbestos dust and other dangerous particles, but also provide effective protection against chemicals during crop spraying. In cleanrooms, protective clothing of TYVEK prevents particles given off by the

skin from contaminating work areas, where even the smallest amount of dust would be a problem in micro-chip production, for instance.

Very light and exceptionally tear-resistant. TYVEK is a spunbonded olefin material produced by a unique process from millions of ultra-fine polyethylene fibres. The result is a lightweight material that combines the finest properties of film, fabric and paper. It is water-proof, has high tensile strength, is tear-resistant and unaffected by a large number of chemicals. No other material is so impenetrable, so strong, so light, yet breathable.

Coated versions of TYVEK are available to suit requirements in terms of barrier performance

for specific toxic chemicals. Contact Du Pont for details from our permeation guide data book.

NOMEX III - The fibre for fire-risk applications

Whenever fire and heat are involved, time is of the essence. A protective garment of NOMEX III can provide protection against fire for a critical period. NOMEX III is a blend of NOMEX meta-aramid and KEVLAR para-aramid. The inclusion of KEVLAR prevents the material from breaking open when exposed to flame, and thus the skin is protected longer from the effects of heat. This invaluable feature makes NOMEX III superior to other heat-and flame-resistant materials.

Fragment of protective vest made from NOMEX III



Fragment of protective vest made from NOMEX III

the majority of professional firemen are equipped with NOMEX III. So are an increasing number in Germany. In Italy, all 25,000 members of the national fire service are equipped with protective garments made from NOMEX III. And many military aircraft pilots and car racing drivers wear overalls made from NOMEX III.

Kevlar - A milestone in fibre technology

When KEVLAR was developed by Du Pont, it set entirely new standards in fibre technology.

NOMEX III has another major advantage: its flame resistance is retained permanently, unaffected by either frequent washing or wear. And since the material made from this fibre is as much as 40% lighter than flameproof

cotton for the same protective performance, garments made with NOMEX III are also more comfortable to wear.

To check the degree of protection afforded as accurately as possible, a special test manikin was developed by Du Pont. Known as the "Thermo-Man", it is 1.85 metres tall and has 122 sensors distributed over its entire surface to register temperature, quantifying pain thresholds and the critical point when burns first occur. Public authorities and organisations are relying increasingly on clothing made from NOMEX III. In the U.K.

Never before had a fibre been so light and yet so strong, as well as corrosion-proof, heat-resistant, self-extinguishing, non-magnetic and electrically non-conductive. And it retains its useful properties from -40°C to +180°C.

Du Pont has now developed its second generation KEVLAR, the "Hx" Series, with properties even more outstanding. KEVLAR is used, for instance, to make bullet- and fragment-resistant vests for police and armed forces, and cut-resistant jackets for fencers as well as industrial workers.

Innovative technology means progress.

KEVLAR, NOMEX and TYVEK are produced by the Engineering Fiber Systems division of Du Pont, which also developed TEFLON*, TYPAR*, CORDURA* and high-strength Nylon. From house and home to air and space, these products have opened up new perspectives in countless areas.

Du Pont is one of the world's leading research-oriented companies, with 39 production plants and laboratories in Europe alone.

Du Pont de Nemours International S.A. Engineering Fiber Systems, P.O. Box 50, CH-1218 Geneva, Switzerland

Du Pont Engineering Fiber Systems. Develop with us.

* Du Pont's registered trademark.



COMMODITIES AND AGRICULTURE

London Fox to launch arabica coffee contract

By David Blackwell

THE LONDON Futures and Options Exchange (Fox) is to launch a contract for European washed arabica coffee on its automated trading system "within three to six months."

Fox's existing coffee contract and related options market is for robusta coffee, mainly grown in Africa and used for making instant coffee. Growing European consumer preference for arabica coffee and the opening up of eastern Europe have created a demand for an arabica contract from the European trade, the exchange said yesterday.

A highly successful arabica contract is already operated on New York's Coffee, Sugar and Cocoa Exchange but previous attempts to launch a London open outcry market have failed. The new London market will remain open until 7 pm to catch hedging and trading from the US.

Mr Mark Blundell, the exchange's chief executive, said yesterday that the commitment to the new market underlined "the growing

importance of arabica to the European coffee business."

The exchange believes a dozen screens will trade the market, including some already in use in existing screen-based markets and some new screens in Europe.

Fox started trading on screens in 1987 with a white sugar contract which now trades between 2,000 and 3,000 lots a day. This year it launched a screen trading in rubber, which has done very little, and a contract based on a base metal index, which trades up to 700 lots a day.

Mr Blundell said he was satisfied with the "good, consistent start" of the metals index contract. The exchange would be launching a metals index options contract, possibly next month, to consolidate the market.

The exchange has abandoned the possibility of a screen-based tea contract, but is still considering both electricity and property futures and has started work on a possible contract for rice.

Brazil buys beef from European 'mountain'

By Tim Dickson in Brussels

THE EUROPEAN Community has sold 30,000 tonnes of surplus beef to Brazil in the first deal with that South American country for about 18 months.

Brazil was a regular customer for EC meat in the mid-1980s, although there has been criticism that much of it is used for manufacturing purposes and eventually turns up again in European supermarkets as processed product.

Given this year's build up of EC beef stocks in the wake of newly increasing production and consumer fears over food safety, however, officials in Brussels are pleased at the latest commercial development.

The sale - from intervention stores in France, Italy, Ireland and Germany - makes a sizeable dent in the 300,000-tonne beef mountain just when the slaughtering season is getting into full swing.

Hopes are also high that further quantities of East German beef - much of which has been coming into the Community as farmers there cut cows in preparation for milk quotas, thereby exacerbating the downward pressure on prices - are likely to be sold to Moscow in the next few weeks.

Meanwhile, the sheepmeat management committee this week authorised member states to make the second 30

per cent instalment of the estimated ewe premium for 1990. The Commission had earlier been hoping to delay the decision until after the end of November but for clear political considerations it was brought forward to bring some relief to the hard pressed sector.

Member state Governments do not necessarily have to take advantage of the authorisation immediately. France, for example, acted to make the first payment immediately after the go ahead was given at the end of June, while the British Government waited until last week.

Mr Bob Hawke, the Australian Prime Minister, has warned the European Community that it risks severe damage to its political and economic relationship with Australia if it breaks an agreement not to sell subsidised beef into Asian markets.

He delivered the warning in a letter to Mr Ray MacSharry, the EC Agriculture Commissioner, who Australia believes will try to scrap the five-year-old Andriessen agreement to help clear the EC beef mountain. Mr Hawke's office said.

The letter said Australia, whose beef farmers receive no subsidies, would take a very serious view of such a move.

Peruvian mines hungry for foreign capital

Sally Bowen discovers that only 3 per cent of the theoretical capacity is exploited

FOR THE first time in over half a decade, Peru is setting out to woo foreign investment into its potentially rich but severely under-capitalised mining industry.

Mr Fernando Sanchez Alvarado, the newly appointed Minister for Energy and Mines in Alberto Fujimori's seven-week-old administration, says: "Our priority is to make investment attractive."

Among other measures, he will encourage "associative agreements" between existing state mining companies and private investors. Of special interest are developments of the currently unexploited iron and polymetallic deposits belonging to state-owned Hierroperu and the second stage of the Cerro Verde copper mine and concentrator near the southern city of Arequipa. Mr Sanchez Alvarado envisages the state retaining a minority shareholding with fresh capital provided by the private sector, national or foreign.

The new Government will also encourage private investment in entirely new projects. One early possibility is development of the 400m-tonne copper deposit at Quellaveco. This lies between American-owned Southern Peru Copper Corporation's copper mines, Toquepala and Cuajone, which produce two-thirds of all Peru's copper. Investment requirements are estimated at \$700m. "We would clearly be interested in having SPPC develop Quellaveco," said Mr Sanchez Alvarado. "But they are proceeding with understandable caution."

Quellaveco is one of dozens of unworked concessions held by Minero Peru, the state minerals company, ever since Peru's military government nationalised all undeveloped mineral rights in the 1970s. Now, the new mines minister says: "Let the state release these concessions and start private investment development."

The recently struck Iscaycruz deal could serve as the



The Tintaya open pit mine, Peru's second largest copper producer, has attracted interest from potential foreign investors

model for future mixed enterprises, according to the Minister.

Iscaycruz is a rich polymetallic deposit in the north-east of the Lima department with 3m tonnes of rich zinc, copper and lead reserves. Minero Peru held the mining rights, but lacked the capital to commence operations. After a protracted battle for the concession earlier this year between Marc Rich Associates, the Swiss-based commodities trading group, and Odebrecht of Brazil - in alliance with a local Peruvian mining conglomerate, Buenaventura, and Brazilian Parahuma Metals - rights to Iscaycruz went to the Odebrecht consortium. Minero Peru retains a 15 per cent stake in the investment, worth \$40m. Work is to start immediately and annual output estimated at over \$20m should be coming in within three years.

Minero Peru has a vast portfolio of concessions ranging from the north-east Andean copper deposits of Michiquillay (requiring an estimated investment of \$1.5bn) to other more modest but attractive prospects such as polymetallic Tambor Grande in the northern coastal department of Piura - another deposit in which Marc Rich's highly profitable Peruvian mining subsidiary

Perubar has expressed an interest.

A handful of foreign investors are already in negotiations with Tintaya, the former state-owned copper mine now transferred to the Inca Regional Government. Tintaya, Peru's second largest copper producer, has two expansion projects, one costing \$45m to expand their pilot copper oxide plant and the other to develop a rich new copper deposit at nearby Corocobuayo. Japan's Mitsubishi Corporation is among the front-runners for the \$45m Corocobuayo investment, to be repaid through a marketing contract.

Despite future prospects, this year is likely to prove a poor one for Peru's battered mining industry. Copper production was down by almost a fifth in the first seven months of 1990 over the same period last year. Much of the decline was a consequence of the prolonged strike at SPPC in March and April. But production at state-owned Centromin was down too - by 8 per cent over the same seven months - while at Tintaya, output was nearly 12 per cent lower.

Zinc production held up better, only fractionally lower in the first seven months of 1990 than last year, with Milpo

turning in record output figures and Marc Rich's Perubar almost equalling its previous year's record performance. Centromin production was 7 per cent lower overall, however, because of continuing problems with spare parts and run-down machinery. National lead and silver production were down 5.8 per cent and 4 per cent respectively for the January to July 1990 period.

Peru's mining sector suffered severe deterioration under the Garcia Government's exchange rate policy, which gave mineral exporters a chunk of their earnings in an official undervalued dollar. Mr Luis Rodriguez Mariategui, President of the National Society of Mining and Petroleum, estimates that the policy cost the industry US\$300m in 1989 and US\$257m in the first half of 1990.

Mining accounts for 13 per cent of Peru's gross domestic product and half of all foreign exchange earnings. Over 1.5m Peruvians depend on it for their livelihoods. President Fujimori has continually stressed the importance of small and medium-scale mining in Peru's economic reactivation.

The mining society estimates that the current value of mining production - about \$2bn - could be increased by \$300m in the short term. "If we could get back to the levels of production of 1987 - the last year of really normal operations - mining output would be up around 8 per cent and GDP would immediately rise 2.5 per cent just through mining," Mr Rodriguez Mariategui said.

The society's three-pronged plan for reactivation of mining envisages the re-opening of small and medium-sized mines closed because of the previous government's unfavourable exchange rate policy. The cost of the restart is estimated at \$35m, bringing in immediate annual production worth \$122m.

Next the under-utilised capacity of state-owned Centromin needs to be activated. Lack of financing over the past three years has meant drastic cuts in production levels and spare parts and renewal of fixed assets are urgently required.

With the credit already approved by the later American Development Bank, Centromin production could be increased by \$30m a year in the short term, according to the society. Finally, immediate output increases from small and medium-scale mines could bring Peru in another \$100m annually in the short term.

The mining society estimates "conservatively" that development of projects which already have technical and feasibility studies completed could mean a further \$10m rise in Peruvian mining output in the next four years.

With only 3 per cent of Peru's theoretical mining potential currently exploited, there is plenty of future for an industry that can provide investors with the conditions and guarantees they demand. Mr Sanchez Alvarado promises an "internationally competitive and stable" tax system for the mining sector with no political backtracking, exchange rate stability and an end to monopolies. Foreign investors will be guaranteed freedom to remit profits. "What we want is a market economy with a minimum of state interference," he said. "We won't fix the exchange rate, but it will be near or equivalent to parity."

As for the industry's generally poor labour relations record, Mr Sanchez Alvarado is confident that, once mining is back in the hands of the "professionals rather than demagogues" union problems will diminish.

"This is a year of transition, of correcting a series of accumulated problems," he said.

Strikes and terrorism discourage investors

TWO PERSISTENT problems have discouraged investors from entering Peru's rich mining country - a workforce apparently prone to bitter and lengthy stoppages, and the continuing threat of terrorism in remote areas where mines are largely located.

The current strike at state-owned Minero Peru is the most recent manifestation of poor labour policies leading to unrealistic pay settlements and short-term solutions. This week, protest marches have been broken up violently by police at two of the company's mining installations in the provinces and at the head offices in Lima itself.

Peru's extreme left-wing Federation of Miners and Steelworkers will be flexing its muscles once again next month. It has called a national strike commencing October 15 in support of a single wage negotiating platform for the industry. National strikes decimated production in 1988 and, to a lesser extent, last year.

Mine owners, however, say that a new realism has crept into the unions since the free-spending, General Garmendia left power. They expect the strike call to receive only token support.

Mine security remains a serious concern. Larger installations devote a substantial amount to protecting themselves from armed terrorism. The Maoist guerrilla group Shining Path and the smaller Tupac Katari Revolutionary Movement have found the mines a plentiful source of explosives.

While the larger mines generally consider their own anti-terrorist measures adequate, the mining society continues to press the Government for a more energetic policy against subversion primarily to protect smaller units.

US and EC faced with growing grain export bills

By Nancy Dunne in Washington

SOARING WORLD grain production and falling prices have produced the predictable result: the US and the European Community, pitted in head-to-head competition for shrinking export markets, are paying ever higher export subsidies that neither treasury can afford. And to make matters worse the Gulf crisis is depressing prices further.

The US Agriculture Department, according to US Wheat Associates, has had to pay record Export Enhancement Program bonuses to keep the wheat outflow going. Last September it was able to subsidise wheat to Egypt for about \$9 a

tonne; this September the average bonus was \$46.90 a tonne. Bonuses to Morocco last week totalled \$42.02 a tonne, up from \$2.50 in September 1989.

According to the National Association of Wheat Growers, a 100,000 tonne wheat sale to Tunisia for autumn delivery carried an average bonus of almost \$60 a tonne, while a 12,000-tonne sale to West Africa paid an average \$54 a tonne.

Meanwhile the EC's Common Agriculture Policy is in trouble again with surpluses building for grain, beef and dairy products. With its budget under increasing pressure, the EC has had to pay even more

to move its wheat. Recent restitution levels totalled \$135 a tonne for soft wheat and over \$200 a tonne for hard wheat.

Falling export prices and cultural agreements to reduce subsidies in the current Uruguay Round (of the Gatt), these levels could continue throughout the balance of the year as world wheat prices continue to be low, US Wheat said.

Despite budgetary pressures, the USDA seems to be prepared to renew some of the 18 EEP offers previously announced and due to expire unfulfilled. It recently announced its intention to offer bonuses for 500,000 tonnes of wheat to Colombia to

replace an allocation for 515,000 tonnes which expired on September 10.

The high cost of farm program offers is being met by a rapid process of reorganisation by the big Danish co-operative slaughterhouses.

Three of them - Tullip, Wendbo-Sundby, and East Jutland - have agreed financial conditions for a merger creating a business with a turnover of Kr10bn (\$35m) and 8,000 employees, claimed to be the largest in Europe.

The new group will handle about 45 per cent of the 15m to 16m pigs sent to slaughter each year in Denmark. Danish agri-

Danes plan meat mergers

By Hilary Barnes in Copenhagen

INCREASED competition in the pigmeat market, where European prices are currently being depressed by imports from East Europe, is being met by a rapid process of reorganisation by the big Danish co-operative slaughterhouses.

Three of them - Tullip, Wendbo-Sundby, and East Jutland - have agreed financial conditions for a merger creating a business with a turnover of Kr10bn (\$35m) and 8,000 employees, claimed to be the largest in Europe.

The new group will handle about 45 per cent of the 15m to 16m pigs sent to slaughter each year in Denmark. Danish agri-

culture, which is a major exporter of meat and dairy products to non-EC countries, is also currently concerned about the consequences of the Uruguay Round negotiations, where the emphasis is on cutting export subsidies.

The new merger is the second major merger among the co-operative meat packers to be announced this year. Last spring the two big West Jutland groups, Vestjysk and Jutland, agreed to get together to make a unit with turnover of about Kr5.5bn.

The four biggest processed meat products business are also being merged.

MARKET REPORT

Copper market sentiment has turned bearish now that the tightness in nearby supplies for September has passed and traders are once more focusing on fundamentals. Inventories are high and there have been reports of heavy granting of put options. LME prices closed down yesterday, while in the near-term Comex prices were mostly lower on disappointed long liquidation. New York traders said dealings were mostly technically dominated, following through on Wednesday's tumble in the final 10 minutes of action. Wednesday's fall was tied to news that Southern Peru Copper was selling small

amounts of its blister on the spot market. The company has been unable to process its blister into cathode because of the 35-day-old strike at Minero Peru. Nickel prices closed at the day's lows. Dealers said fund liquidation prompted fresh selling in the afternoon. The market is now vulnerable to further downside moves. On the BFE freight futures were down sharply on news of an easier US/Japan grain fixing. Further selling pressure was expected in the absence of any significant supportive news, with the Chinese and Soviets showing no signs of entering the market. Compiled from Reuters

London Markets

SPOT MARKETS

Copper (per barrel FOB) +0.01

Dubai \$29.15-0.25y +0.25

Brent Blend (dated) \$33.55-0.55 +0.275

Heavy Fuel Oil \$32.65-0.55 +0.25

W.T.I. (1 pm est) \$33.00-3.05y +0.25

Oil products

(NWE prompt delivery per tonne CIF) +0.01

Premium Gasoline \$419-420 +1

Gas Oil \$37.15-0.25y +0.25

Heavy Fuel Oil \$31.50-1.25y +0.25

Naphtha \$33.35-0.37y +0.25

Patrols Argus Estimates

Other

Gold (per troy oz) \$387.25 +0.50

Silver (per troy oz) \$461.00 +0.00

Platinum (per troy oz) \$457.00 +0.55

Palladium (per troy oz) \$106.00 +0.50

Aluminium (free market) \$2220 -0.5

Copper (US Producer) \$131 -0.5

Lead (US Producer) \$50 -0.5

Nickel (free market) \$45c -0.10

Tin (Kuala Lumpur market) \$15.35c -0.02

Tin (New York) \$24.50c -0.02

Zinc (US Prime Western) \$11c -0.02

Cattle (live weight) \$102.80p -1.27

Sheep (dead weight) \$125.30p -0.82

Pigs (live weight) \$75.75p -2.24

SUGAR - London FOX (\$ per tonne)

Raw

Oct 235.40 235.40 235.40 235.40

Nov 235.40 235.40 235.40 235.40

Dec 235.40 235.40 235.40 235.40

Jan 235.40 235.40 235.40 235.40

Feb 235.40 235.40 235.40 235.40

Mar 235.40 235.40 235.40 235.40

Apr 235.40 235.40 235.40 235.40

May 235.40 235.40 235.40 235.40

Jun 235.40 235.40 235.40 235.40

Jul 235.40 235.40 235.40 235.40

Aug 235.40 235.40 235.40 235.40

White

Oct 305.40 305.40 305.40 305.40

Nov 305.40 305.40 305.40 305.40

Dec 305.40 305.40 305.40 305.40

Jan 305.40 305.40 305.40 305.40

Feb 305.40 305.40 305.40 305.40

Mar 305.40 305.40 305.40 305.40

Apr 305.40 305.40 305.40 305.40

May 305.40 305.40 305.40 305.40

Jun 305.40 305.40 305.40 305.40

Jul 305.40 305.40 305.40 305.40

Aug 305.40 305.40 305.40 305.40

Turnover: 1994 (4500) lots of 10 tonnes

COFFEE - London FOX (\$ per tonne)

Arabica

COCA - London FOX (\$ per tonne)

Close Previous High/Low

Sep 700 700 700 700

Oct 700 700 700 700

Nov 700 700 700 700

Dec 700 700 700 700

Jan 700 700 700 700

Feb 700 700 700 700

Mar 700 700 700 700

Apr 700 700 700 700

May 700 700 700 700

Jun 700 700 700 700

Jul 700 700 700 700

Aug 700 700 700 700

Turnover: 1994 (4500) lots of 10 tonnes

COFFEE - London FOX (\$ per tonne)

Close Previous High/Low

Sep 580 580 580 580

Oct 580 580 580 580

Nov 580 580 580 580

Dec 580 580 580 580

Jan 580 580 580 580

Feb 580 580 580 580

Mar 580 580 580 580

Apr 580 580 580 580

May 580 580 580 580

Jun 580 580 580 580

Jul 580 580 580 580

Aug 580 580 580 580

Turnover: 1994 (4500) lots of 10 tonnes

COFFEE - London FOX (\$ per tonne)

Close Previous High/Low

Sep 580 580 580 580

Oct 580 580 580 580

Nov 580 580 580 580

Dec 580 580 580 580

Jan 580 580 580 580

Feb 580 580 580 580

Mar 580 580 580 580

COCA - London FOX (\$ per tonne)

Close Previous High/Low

Sep 700 700 700 700

Oct 700 700 700 700

LONDON STOCK EXCHANGE

European sellers trigger market fall

CONCERN over recessionary pressures on the British and US economies gathered pace in the UK stock market yesterday and, together with increasing alarm over the immediate fortunes of British companies, brought one of the heaviest one-day falls in the FT-SE index this year. The index fell nearly 40 points to its lowest closing level since February 1989, with bank, property, and many industrial shares badly hit. The market closed flat, unsettled further by a weak opening on Wall Street.

European funds made a concerted effort to sell UK stocks as sterling continued to fall following the speech on Wednesday.

Account Opening Dates			
First Opening	20 Sep	24 Sep	Oct 5
Option Expiry Dates	20 Sep	24 Sep	Oct 19
Second Opening	20 Sep	24 Sep	Oct 19
Third Opening	20 Sep	24 Sep	Oct 19
Fourth Opening	20 Sep	24 Sep	Oct 19
Account Day	20 Sep	24 Sep	Oct 19
Account Day	20 Sep	24 Sep	Oct 19

day by Mr Karl Pöhl, the Bundesbank president, which some analysts interpreted as a possible barrier to early UK entry into the European exchange rate mechanism. There was also selling from Japan, while at the same time London was badly unsettled by reports of increased tensions in the Japanese banking industry. For good measure, the property and banking sectors reacted strongly to the continued concern over the state of the UK real estate market.

However, these international pressures were somewhat upstaged at mid-morning by massive pressure on shares in Polly Peck, the troubled food, electronics and leisure group, which were suspended after falling by 100p on turnover of 38m shares.

The stock market, which had opened firmly, fell heavily for the rest of the day. The FT-SE index ended 48.9 down at 2,016.9, its lowest close since April 11 last year. Institutional

investors effectively backed away from the market as it plunged through 2,000. Such was the sentiment that even Glaxo and Guinness, both of which pleased the market with trading statements, were finally brought down with the rest. Even the oil sector, which benefited initially from further gains in Brent crude prices, was later overwhelmed by a weak start on Wall Street, which fell more than 30 Dow points in London time.

Trading volume jumped to 517.7m shares from the 386.5m of the previous session, and traders said that yesterday's total would have been even higher but for difficulties in

trading. A contributory factor may have been the absence of many leading dealers for the Jewish New Year holiday. This left a number of trading desks manned by less senior dealers, who were more ready to cut prices to avoid taking on heavy stock positions.

While badly shaken by yesterday's developments, some London securities houses kept their nerve. One leading house said its trading book was still 76 per cent weighted to the buy side, and a broker firm which had taken the lead in putting institutional cash into the market this week said its clients were still prepared to buy UK stocks.

decline in the shares other than general market conditions. The hostile climate for building-related stocks took a toll on EEC and the price dropped 22 to 283p. Salomon Brothers said it was prudent to reduce expectations for the current year from £130m to £120m and to look for some slight recovery in 1991. "The new management approach to the business will leave it much stronger," concluded Salomon.

Alexander Frondfoot took comfort in higher annual profits and rose to 340p before settling 6 up on balance at 386p. USM-listed ASD was another to show a gain, ending 6 higher at 76p following the tender offer from Unisor Saccor for 20 per cent of the shares at 155p cash per share.

Underpinned by a good interim statement - profits exceeded most expectations - Laporte brushed off the wider market weakness to close little changed at 444p. Roseco, however, revealed a half-yearly performance that failed to meet market estimates and closed 14 down at 174p.

News that Carlton Communications and Barton are to drop out of the FT-SE 100 left both stocks lower in anticipation of selling from index tracking funds. Carlton fell 21 to 333p and Barton 6 to 88p.

British Aerospace was affected by an announcement that a proposed merger with Thomson CSF of their respective guided weapons sectors was to be referred to the Monopolies and Mergers Commission and the shares dipped 11 to 538p.

APV, which produces equipment principally for the food

Fleeting trade in Polly Peck

POLLY PECK recorded several record-breaking sales in the bid during a 135p slide in the share price. Trading was hectic, with 35m shares changing hands before the 2.21pm suspension at 106p. The steep fall during the day was triggered by the appearance on the stock ticker of a 7.9m share trade.

Sentiment was further hit by the disclosure that police attached to the Serious Fraud Office had visited the offices of South Audley Management, which is owned indirectly by Nadir family trusts. Mr Asif Nadir is the Polly Peck chairman.

Traders also mentioned the Iraqi seizure yesterday of Turkish assets as a factor in the fall. Much of Polly Peck's business is conducted in Turkey.

Resilient STC

The electronics/telecoms group STC was one of only two Footsie stocks to remain in positive territory during a particularly difficult day. The shares closed 3 higher at 238p on turnover of 1.8m.

Behind the rise were market hints that the company could attract a predator after November 30 when the group receives the £730m cash (worth some 150p per STC share) from the sale of its 80 per cent stake in TCI to Japan's Fujitsu. The Office of Fair Trading yesterday cleared the sale of the stake to Fujitsu and EC clearance is expected shortly.

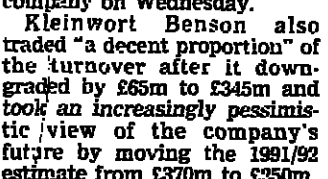
France's Alcatel and Germany's Siemens were suggested by market specialists as the most likely candidates to bid for STC. They are both competing for the number one spot in European telecoms, said one analyst, who did not rule out Canada's Northern Telecom, which is sitting on a 27.2 per cent stake, as a potential bidder for the UK company.

Some analysts have put a break-up value in the region of 650p a share at STC. A figure similar to that paid by Northern Telecom when it acquired the stake in September 1987.

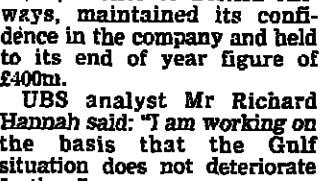
BA in steep dive

A sharp downgrade by analysts of end-year forecasts for British Airways prompted heavy selling that dragged the price down 10 1/2 to 150p, the lowest for two years. More than 10m shares had been traded by midday and the final turnover was 14m.

FT-A All-Share Index



Equity Shares Traded



Cookson crash

Heavy selling in Cookson, the industrial materials group, sent the stock crashing. The shares fell to a low of 40p, down 40 per cent from the day after a six-year low of 54p, twelve months ago the shares peaked at 384p.

The group's problems have been well aired since the interim results disappointed the market earlier this month. A stretched balance sheet, a cyclical business, and the need for both cash and to make disposals have all been factors behind investment advice to "sell the stock on fundamentals."

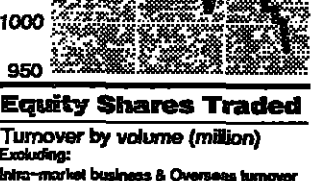
News that Lonrho had started legal action to try to gain control of the London department store Harrods from the Al-Fayed brothers, who had taken over the store after a five-year fight, left the shares 19 off at 215p. The Al-Fayeds paid £515m for Harrods' parent, the House of Fraser chain, in 1985.

Glaxo beat analysts' forecasts with full year profits 14 per cent higher at £1.14bn. The dividend was increased 26 per cent to 22p. Several analysts, however, trimmed current year forecasts for the stock. Mr Ian Moore at UBS Phillips & Drew took 30m from his estimate to

FT-A All-Share Index



Equity Shares Traded



Cookson crash

Heavy selling in Cookson, the industrial materials group, sent the stock crashing. The shares fell to a low of 40p, down 40 per cent from the day after a six-year low of 54p, twelve months ago the shares peaked at 384p.

The group's problems have been well aired since the interim results disappointed the market earlier this month. A stretched balance sheet, a cyclical business, and the need for both cash and to make disposals have all been factors behind investment advice to "sell the stock on fundamentals."

News that Lonrho had started legal action to try to gain control of the London department store Harrods from the Al-Fayed brothers, who had taken over the store after a five-year fight, left the shares 19 off at 215p. The Al-Fayeds paid £515m for Harrods' parent, the House of Fraser chain, in 1985.

Glaxo beat analysts' forecasts with full year profits 14 per cent higher at £1.14bn. The dividend was increased 26 per cent to 22p. Several analysts, however, trimmed current year forecasts for the stock. Mr Ian Moore at UBS Phillips & Drew took 30m from his estimate to

NEW HIGHS AND LOWS FOR 1990

NEW HIGHS	NEW LOWS
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p

Directors of Aston Martin Lagonda

Mr Walter Lays, who was involved with Ford's purchase of 75 per cent of the group, and Mr Peter Lévans, representing Mr Lévans's minority interest, have been appointed to the group board of ASTON MARTIN LAGONDA.

Miss Jill Ardagh has been appointed director of EEC and international affairs at THE FOOD AND DRINK FEDERATION from November 1. She is director of European affairs at the Tobacco Advisory Council.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

Dr Colin Knight will become group chief executive of WHA/MLA. Madsstone, in place of Jeremy Leigh Pemberton from January 1. Mr Pemberton continues as non-executive deputy chairman.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

APPOINTMENTS

Bankers Trust Sociedad de Valores. He moves from Instituto Nacional de Industria, where he was a general manager, and replaces Mr Stephen A. Ferriss who is transferring to London as managing director, emerging markets.

Mr C.H. INDUSTRIALS has appointed Mr Jack Douglas as non-executive deputy chairman. He is chairman of Castleford Fund Managers, and a director of other companies.

UNITED CINEMAS INTERNATIONAL has promoted Mr Steve Knibbs from regional manager to director of operations.

FIDELITY INVESTMENTS, Tonbridge, has appointed Mr Bruce Johnston as chief investment officer. He was executive vice president of Fidelity Management and Research Company, Boston, US.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

Dr Colin Knight will become group chief executive of WHA/MLA. Madsstone, in place of Jeremy Leigh Pemberton from January 1. Mr Pemberton continues as non-executive deputy chairman.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

APPOINTMENTS

Bankers Trust Sociedad de Valores. He moves from Instituto Nacional de Industria, where he was a general manager, and replaces Mr Stephen A. Ferriss who is transferring to London as managing director, emerging markets.

Mr C.H. INDUSTRIALS has appointed Mr Jack Douglas as non-executive deputy chairman. He is chairman of Castleford Fund Managers, and a director of other companies.

UNITED CINEMAS INTERNATIONAL has promoted Mr Steve Knibbs from regional manager to director of operations.

FIDELITY INVESTMENTS, Tonbridge, has appointed Mr Bruce Johnston as chief investment officer. He was executive vice president of Fidelity Management and Research Company, Boston, US.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

Dr Colin Knight will become group chief executive of WHA/MLA. Madsstone, in place of Jeremy Leigh Pemberton from January 1. Mr Pemberton continues as non-executive deputy chairman.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

APPOINTMENTS

Bankers Trust Sociedad de Valores. He moves from Instituto Nacional de Industria, where he was a general manager, and replaces Mr Stephen A. Ferriss who is transferring to London as managing director, emerging markets.

Mr C.H. INDUSTRIALS has appointed Mr Jack Douglas as non-executive deputy chairman. He is chairman of Castleford Fund Managers, and a director of other companies.

UNITED CINEMAS INTERNATIONAL has promoted Mr Steve Knibbs from regional manager to director of operations.

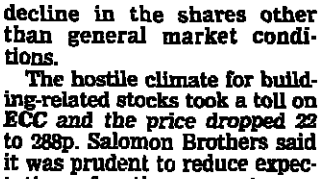
FIDELITY INVESTMENTS, Tonbridge, has appointed Mr Bruce Johnston as chief investment officer. He was executive vice president of Fidelity Management and Research Company, Boston, US.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

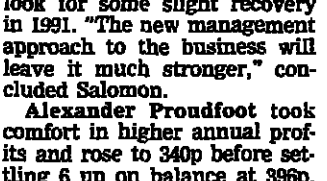
Dr Colin Knight will become group chief executive of WHA/MLA. Madsstone, in place of Jeremy Leigh Pemberton from January 1. Mr Pemberton continues as non-executive deputy chairman.

Mr Norman W. Hayman has been appointed a director of EXPLORA HOLDINGS. He is a company director of planning, Inco, a company which recently bought 6 per cent of Explora's capital.

FT-A All-Share Index



Equity Shares Traded



Cookson crash

Heavy selling in Cookson, the industrial materials group, sent the stock crashing. The shares fell to a low of 40p, down 40 per cent from the day after a six-year low of 54p, twelve months ago the shares peaked at 384p.

The group's problems have been well aired since the interim results disappointed the market earlier this month. A stretched balance sheet, a cyclical business, and the need for both cash and to make disposals have all been factors behind investment advice to "sell the stock on fundamentals."

News that Lonrho had started legal action to try to gain control of the London department store Harrods from the Al-Fayed brothers, who had taken over the store after a five-year fight, left the shares 19 off at 215p. The Al-Fayeds paid £515m for Harrods' parent, the House of Fraser chain, in 1985.

Glaxo beat analysts' forecasts with full year profits 14 per cent higher at £1.14bn. The dividend was increased 26 per cent to 22p. Several analysts, however, trimmed current year forecasts for the stock. Mr Ian Moore at UBS Phillips & Drew took 30m from his estimate to

NEW HIGHS AND LOWS FOR 1990

NEW HIGHS	NEW LOWS
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p
ADIDAS (10) 100p	ADIDAS (10) 100p

FINANCIAL TIMES STOCK INDICES

	Sept 20	Sept 16	Sept 16	Sept 17	Sept 14	Year Ago	High	1980	Lo
Government Secs	78.41	78.45	78.29	78.31	78.27	85.78	84.20 (2/1)	74.00 (3/1)	74.00 (3/1)
Fixed Interest	87.01	87.01	87.04	87.10	87.10	96.09	92.91 (8/1)	86.00 (8/1)	86.00 (8/1)
Ordinary Share	1531.1	1576.1	1576.8	1606.1	1609.6	1682.9	1986.3 (3/1)	1531.00 (3/1)	1531.00 (3/1)
Gold Millions	184.9	182.7	186.2	188.6	189.0	200.9	378.5 (8/2)	167.00 (1/5)	167.00 (1/5)
FT-SE 100 Share	2016.9	2065.8	2064.0	2094.3	2093.8	2380.9	2463.7 (2/1)	2016.90 (2/1)	2016.90 (2/1)
Ord. Div. Yield %	6.21	6.02	6.02	5.91	5.78	4.15	8.00	100	100
Earning Yield % (full)	13.02	12.83	12.69	12.39	12.17	9.95	14.00	100	100
Ordinary 1/75ths									

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-228

BANKS, HP & LEASING

[illegible]

BUILDING, TIMBER, ROADS -

[illegible]

ELECTRICALS—Contd

[illegible]**ENGINEERING – Contd**[illegible]

INDUSTRIAL S (Miscel)—Contd

[illegible]

INDUSTRIALS (Miscel)-Cont

1998		Price		Bid		Ask	
142	111 Shaw Group	111	111	111	111	111	111
150	534	328	15	15.0	15.0	15.0	15.0
151	534	328	15	15.0	15.0	15.0	15.0
152	534	328	15	15.0	15.0	15.0	15.0
153	534	328	15	15.0	15.0	15.0	15.0
154	534	328	15	15.0	15.0	15.0	15.0
155	534	328	15	15.0	15.0	15.0	15.0
156	534	328	15	15.0	15.0	15.0	15.0
157	534	328	15	15.0	15.0	15.0	15.0
158	534	328	15	15.0	15.0	15.0	15.0
159	534	328	15	15.0	15.0	15.0	15.0
160	534	328	15	15.0	15.0	15.0	15.0
161	534	328	15	15.0	15.0	15.0	15.0
162	534	328	15	15.0	15.0	15.0	15.0
163	534	328	15	15.0	15.0	15.0	15.0
164	534	328	15	15.0	15.0	15.0	15.0
165	534	328	15	15.0	15.0	15.0	15.0
166	534	328	15	15.0	15.0	15.0	15.0
167	534	328	15	15.0	15.0	15.0	15.0
168	534	328	15	15.0	15.0	15.0	15.0
169	534	328	15	15.0	15.0	15.0	15.0
170	534	328	15	15.0	15.0	15.0	15.0
171	534	328	15	15.0	15.0	15.0	15.0
172	534	328	15	15.0	15.0	15.0	15.0
173	534	328	15	15.0	15.0	15.0	15.0
174	534	328	15	15.0	15.0	15.0	15.0
175	534	328	15	15.0	15.0	15.0	15.0
176	534	328	15	15.0	15.0	15.0	15.0
177	534	328	15	15.0	15.0	15.0	15.0
178	534	328	15	15.0	15.0	15.0	15.0
179	534	328	15	15.0	15.0	15.0	15.0
180	534	328	15	15.0	15.0	15.0	15.0
181	534	328	15	15.0	15.0	15.0	15.0
182	534	328	15	15.0	15.0	15.0	15.0
183	534	328	15	15.0	15.0	15.0	15.0
184	534	328	15	15.0	15.0	15.0	15.0
185	534	328	15	15.0	15.0	15.0	15.0
186	534	328	15	15.0	15.0	15.0	15.0
187	534	328	15	15.0	15.0	15.0	15.0
188	534	328	15	15.0	15.0	15.0	15.0
189	534	328	15	15.0	15.0	15.0	15.0
190	534	328	15	15.0	15.0	15.0	15.0
191	534	328	15	15.0	15.0	15.0	15.0
192	534	328	15	15.0	15.0	15.0	15.0
193	534	328	15	15.0	15.0	15.0	15.0
194	534	328	15	15.0	15.0	15.0	15.0
195	534	328	15	15.0	15.0	15.0	15.0
196	534	328	15	15.0	15.0	15.0	15.0
197	534	328	15	15.0	15.0	15.0	15.0
198	534	328	15	15.0	15.0	15.0	15.0
199	534	328	15	15.0	15.0	15.0	15.0
200	534	328	15	15.0	15.0	15.0	15.0
201	534	328	15	15.0	15.0	15.0	15.0
202	534	328	15	15.0	15.0	15.0	15.0
203	534	328	15	15.0	15.0	15.0	15.0
204	534	328	15	15.0	15.0	15.0	15.0
205	534	328	15	15.0	15.0	15.0	15.0
206	534	328	15	15.0	15.0	15.0	15.0
207	534	328	15	15.0	15.0	15.0	15.0
208	534	328	15	15.0	15.0	15.0	15.0
209	534	328	15	15.0	15.0	15.0	15.0
210	534	328	15	15.0	15.0	15.0	15.0
211	534	328	15	15.0	15.0	15.0	15.0
212	534	328	15	15.0	15.0	15.0	15.0
213	534	328	15	15.0	15.0	15.0	15.0
214	534	328	15	15.0	15.0	15.0	15.0
215	534	328	15	15.0	15.0	15.0	15.0
216	534	328	15	15.0	15.0	15.0	15.0
217	534	328	15	15.0	15.0	15.0	15.0
218	534	328	15	15.0	15.0	15.0	15.0
219	534	328	15	15.0	15.0	15.0	15.0
220	534	328	15	15.0	15.0	15.0	15.0
221	534	328	15	15.0	15.0	15.0	15.0
222	534	328	15	15.0	15.0	15.0	15.0
223	534	328	15	15.0	15.0	15.0	15.0
224	534	328	15	15.0	15.0	15.0	15.0
225	534	328	15	15.0	15.0	15.0	15.0
226	534	328	15	15.0	15.0	15.0	15.0
227	534	328	15	15.0	15.0	15.0	15.0
228	534	328	15	15.0	15.0	15.0	15.0
229	534	328	15	15.0	15.0	15.0	15.0
230	534	328	15	15.0	15.0	15.0	15.0
231	534	328	15	15.0	15.0	15.0	15.0
232	534	328	15	15.0	15.0	15.0	15.0
233	534	328	15	15.0	15.0	15.0	15.0
234	534	328	15	15.0	15.0	15.0	15.0
235	534	328	15	15.0	15.0	15.0	15.0
236	534	328	15	15.0	15.0	15.0	15.0
237	534	328	15	15.0	15.0	15.0	15.0
238	534	328	15	15.0	15.0	15.0	15.0
239	534	328	15	15.0	15.0	15.0	15.0
240	534	328	15	15.0	15.0	15.0	15.0
241	534	328	15	15.0	15.0	15.0	15.0
242	534	328	15	15.0	15.0	15.0	15.0
243	534	328	15	15.0	15.0	15.0	15.0
244	534	328	15	15.0	15.0	15.0	15.0
245	534	328	15	15.0	15.0	15.0	15.0
246	534	328	15	15.0	15.0	15.0	15.0
247	534	328	15	15.0	15.0	15.0	15.0
248	534	328	15	15.0	15.0	15.0	15.0
249	534	328	15	15.0	15.0	15.0	15.0
250	534	328	15	15.0	15.0	15.0	15.0
251	534	328	15	15.0	15.0	15.0	15.0
252	534	328	15	15.0	15.0	15.0	15.0
253	534	328	15	15.0	15.0	15.0	15.0
254	534	328	15	15.0	15.0	15.0	15.0
255	534	328	15	15.0	15.0	15.0	15.0
256	534	328	15	15.0	15.0	15.0	15.0
257	534	328	15	15.0	15.0	15.0	15.0
258	534	328	15	15.0	15.0	15.0	15.0
259	534	328	15	15.0	15.0	15.0	15.0
260	534	328	15	15.0	15.0	15.0	15.0
261	534	328	15	15.0	15.0	15.0	15.0
262	534	328	15	15.0	15.0	15.0	15.0
263	534	328	15	15.0	15.0	15.0	15.0
264	534	328	15	15.0	15.0	15.0	15.0
265	534	328	15	15.0	15.0	15.0	15.0
266	534	328	15	15.0	15.0	15.0	15.0
267	534	328	15	15.0	15.0	15.0	15.0
268	534	328	15	15.0	15.0	15.0	15.0
269	534	328	15	15.0	15.0	15.0	15.0
270	534	328	15	15.0	15.0	15.0	15.0
271	534	328	15	15.0	15.0	15.0	15.0
272	534	328	15	15.0	15.0	15.0	15.0
273	534	328	15	15.0	15.0	15.0	15.0
274	534	328	15	15.0	15.0	15.0	15.0
275	534	328	15	15.0	15.0	15.0	15.0
276	534	328	15	15.0	15.0	15.0	15.0
277	534	328	15	15.0	15.0	15.0	15.0
278	534	328	15	15.0	15.0	15.0	15.0
279	534	328	15	15.0	15.0	15.0	15.0
280	534	328	15	15.0	15.0	15.0	15.0
281	534	328	15	15.0	15.0	15.0	15.0
282	534	328	15	15.0	15.0	15.0	15.0
283	534	328	15	15.0	15.0	15.0	15.0
284	534	328	15	15.0	15.0	15.0	15.0
285	534	328	15	15.0	15.0	15.0	15.0
286	534	328	15	15.0	15.0	15.0	15.0
287	534	328	15	15.0	15.0	15.0	15.0
288	534	328	15	15.0	15.0	15.0	15.0
289	534	328	15	15.0	15.0	15.0	15.0
290	534	328	15	15.0	15.0	15.0	15.0
291	534	328	15	15.0	15.0	15.0	15.0
292	534	328	15	15.0	15.0	15.0	15.0
293	534	328	15	15.0	15.0	15.0	15.0
294	534	328	15	15.0	15.0	15.0	15.0
295	534	328	15	15.0	15.0	15.0	15.0
296	534	328	15	15.0	15.0	15.0	15.0
297	534	328	15	15.0	15.0	15.0	15.0
298	534	328	15	15.0	15.0	15.0	15.0
299	534	328	15	15.0	15.0	15.0	15.0
300	534	328	15	15.0	15.0	15.0	15.0
301	534	328	15	15.0	15.0	15.0	15.0
302	534	328	15	15.0	15.0	15.0	15.0
303	534	328	15	15.0	15.0	15.0	15.0
304	534	328	15	15.0	15.0	15.0	15.0
305	534	328	15	15.0	15.0	15.0	15.0
306	534	328	15	15.0	15.0	15.0	15.0
307	534	328	15	15.0	15.0	15.0	15.0
308	534	328	15	15.0	15.0	15.0	15.0
309	534	328	15	15.0	15.0	15.0	15.0
310	534	328	15	15.0	15.0	15.0	15.0
311	534	328	15	15.0	15.0	15.0	15.0
312	534	328	15	15.0	15.0	15.0	15.0
313	534	328	15	15.0	15.0	15.0	15.0
314	534	328	15	15.0	15.0	15.0	15.0
315	534	328	15	15.0	15.0	15.0	15.0
316	534	328	15	15.0	15.0	15.0	15.0
317	534	328	15	15.0	15.0	15.0	15.0
318	534	328	15	15.0	15.0	15.0	15.0
319	534	328	15	15.0	15.0	15.0	15.0
320	534	328	15	15.0	15.0	15.0	15.0
321	534	328	15	15.0	15.0	15.0	15.0
322	534	328	15	15.0	15.0	15.0	

CHEMICALS, PLASTICS

113	101Halt Columbia Univ.	128	100Halt	21	5.0	4.3
114	102Halt Columbia Univ.	129	101Halt	22	5.0	4.3
115	103Halt Columbia Univ.	130	102Halt	23	5.0	4.3
116	104Halt Columbia Univ.	131	103Halt	24	5.0	4.3
117	105Halt Columbia Univ.	132	104Halt	25	5.0	4.3
118	106Halt Columbia Univ.	133	105Halt	26	5.0	4.3
119	107Halt Columbia Univ.	134	106Halt	27	5.0	4.3
120	108Halt Columbia Univ.	135	107Halt	28	5.0	4.3
121	109Halt Columbia Univ.	136	108Halt	29	5.0	4.3
122	110Halt Columbia Univ.	137	109Halt	30	5.0	4.3
123	111Halt Columbia Univ.	138	110Halt	31	5.0	4.3
124	112Halt Columbia Univ.	139	111Halt	32	5.0	4.3
125	113Halt Columbia Univ.	140	112Halt	33	5.0	4.3
126	114Halt Columbia Univ.	141	113Halt	34	5.0	4.3
127	115Halt Columbia Univ.	142	114Halt	35	5.0	4.3
128	116Halt Columbia Univ.	143	115Halt	36	5.0	4.3
129	117Halt Columbia Univ.	144	116Halt	37	5.0	4.3
130	118Halt Columbia Univ.	145	117Halt	38	5.0	4.3
131	119Halt Columbia Univ.	146	118Halt	39	5.0	4.3
132	120Halt Columbia Univ.	147	119Halt	40	5.0	4.3
133	121Halt Columbia Univ.	148	120Halt	41	5.0	4.3
134	122Halt Columbia Univ.	149	121Halt	42	5.0	4.3
135	123Halt Columbia Univ.	150	122Halt	43	5.0	4.3
136	124Halt Columbia Univ.	151	123Halt	44	5.0	4.3
137	125Halt Columbia Univ.	152	124Halt	45	5.0	4.3
138	126Halt Columbia Univ.	153	125Halt	46	5.0	4.3
139	127Halt Columbia Univ.	154	126Halt	47	5.0	4.3
140	128Halt Columbia Univ.	155	127Halt	48	5.0	4.3
141	129Halt Columbia Univ.	156	128Halt	49	5.0	4.3
142	130Halt Columbia Univ.	157	129Halt	50	5.0	4.3
143	131Halt Columbia Univ.	158	130Halt	51	5.0	4.3
144	132Halt Columbia Univ.	159	131Halt	52	5.0	4.3
145	133Halt Columbia Univ.	160	132Halt	53	5.0	4.3
146	134Halt Columbia Univ.	161	133Halt	54	5.0	4.3
147	135Halt Columbia Univ.	162	134Halt	55	5.0	4.3
148	136Halt Columbia Univ.	163	135Halt	56	5.0	4.3
149	137Halt Columbia Univ.	164	136Halt	57	5.0	4.3
150	138Halt Columbia Univ.	165	137Halt	58	5.0	4.3
151	139Halt Columbia Univ.	166	138Halt	59	5.0	4.3
152	140Halt Columbia Univ.	167	139Halt	60	5.0	4.3
153	141Halt Columbia Univ.	168	140Halt	61	5.0	4.3
154	142Halt Columbia Univ.	169	141Halt	62	5.0	4.3
155	143Halt Columbia Univ.	170	142Halt	63	5.0	4.3
156	144Halt Columbia Univ.	171	143Halt	64	5.0	4.3
157	145Halt Columbia Univ.	172	144Halt	65	5.0	4.3
158	146Halt Columbia Univ.	173	145Halt	66	5.0	4.3
159	147Halt Columbia Univ.	174	146Halt	67	5.0	4.3
160	148Halt Columbia Univ.	175	147Halt	68	5.0	4.3
161	149Halt Columbia Univ.	176	148Halt	69	5.0	4.3
162	150Halt Columbia Univ.	177	149Halt	70	5.0	4.3
163	151Halt Columbia Univ.	178	150Halt	71	5.0	4.3
164	152Halt Columbia Univ.	179	151Halt	72	5.0	4.3
165	153Halt Columbia Univ.	180	152Halt	73	5.0	4.3
166	154Halt Columbia Univ.	181	153Halt	74	5.0	4.3
167	155Halt Columbia Univ.	182	154Halt	75	5.0	4.3
168	156Halt Columbia Univ.	183	155Halt	76	5.0	4.3
169	157Halt Columbia Univ.	184	156Halt	77	5.0	4.3
170	158Halt Columbia Univ.	185	157Halt	78	5.0	4.3
171	159Halt Columbia Univ.	186	158Halt	79	5.0	4.3
172	160Halt Columbia Univ.	187	159Halt	80	5.0	4.3
173	161Halt Columbia Univ.	188	160Halt	81	5.0	4.3
174	162Halt Columbia Univ.	189	161Halt	82	5.0	4.3
175	163Halt Columbia Univ.	190	162Halt	83	5.0	4.3
176	164Halt Columbia Univ.	191	163Halt	84	5.0	4.3
177	165Halt Columbia Univ.	192	164Halt	85	5.0	4.3
178	166Halt Columbia Univ.	193	165Halt	86	5.0	4.3
179	167Halt Columbia Univ.	194	166Halt	87	5.0	4.3
180	168Halt Columbia Univ.	195	167Halt	88	5.0	4.3
181	169Halt Columbia Univ.	196	168Halt	89	5.0	4.3
182	170Halt Columbia Univ.	197	169Halt	90	5.0	4.3
183	171Halt Columbia Univ.	198	170Halt	91	5.0	4.3
184	172Halt Columbia Univ.	199	171Halt	92	5.0	4.3
185	173Halt Columbia Univ.	200	172Halt	93	5.0	4.3
186	174Halt Columbia Univ.	201	173Halt	94	5.0	4.3
187	175Halt Columbia Univ.	202	174Halt	95	5.0	4.3
188	176Halt Columbia Univ.	203	175Halt	96	5.0	4.3
189	177Halt Columbia Univ.	204	176Halt	97	5.0	4.3
190	178Halt Columbia Univ.	205	177Halt	98	5.0	4.3
191	179Halt Columbia Univ.	206	178Halt	99	5.0	4.3
192	180Halt Columbia Univ.	207	179Halt	100	5.0	4.3
193	181Halt Columbia Univ.	208	180Halt	101	5.0	4.3
194	182Halt Columbia Univ.	209	181Halt	102	5.0	4.3
195	183Halt Columbia Univ.	210	182Halt	103	5.0	4.3
196	184Halt Columbia Univ.	211	183Halt	104	5.0	4.3
197	185Halt Columbia Univ.	212	184Halt	105	5.0	4.3
198	186Halt Columbia Univ.	213	185Halt	106	5.0	4.3
199	187Halt Columbia Univ.	214	186Halt	107	5.0	4.3
200	188Halt Columbia Univ.	215	187Halt	108	5.0	4.3
201	189Halt Columbia Univ.	216	188Halt	109	5.0	4.3
202	190Halt Columbia Univ.	217	189Halt	110	5.0	4.3
203	191Halt Columbia Univ.	218	190Halt	111	5.0	4.3
204	192Halt Columbia Univ.	219	191Halt	112	5.0	4.3
205	193Halt Columbia Univ.	220	192Halt	113	5.0	4.3
206	194Halt Columbia Univ.	221	193Halt	114	5.0	4.3
207	195Halt Columbia Univ.	222	194Halt	115	5.0	4.3
208	196Halt Columbia Univ.	223	195Halt	116	5.0	4.3
209	197Halt Columbia Univ.	224	196Halt	117	5.0	4.3
210	198Halt Columbia Univ.	225	197Halt	118	5.0	4.3
211	199Halt Columbia Univ.	226	198Halt	119	5.0	4.3
212	200Halt Columbia Univ.	227	199Halt	120	5.0	4.3
213	201Halt Columbia Univ.	228	200Halt	121	5.0	4.3
214	202Halt Columbia Univ.	229	201Halt	122	5.0	4.3
215	203Halt Columbia Univ.	230	202Halt	123	5.0	4.3
216	204Halt Columbia Univ.	231	203Halt	124	5.0	4.3
217	205Halt Columbia Univ.	232	204Halt	125	5.0	4.3
218	206Halt Columbia Univ.	233	205Halt	126	5.0	4.3
219	207Halt Columbia Univ.	234	206Halt	127	5.0	4.3
220	208Halt Columbia Univ.	235	207Halt	128	5.0	4.3
221	209Halt Columbia Univ.	236	208Halt	129	5.0	4.3
222	210Halt Columbia Univ.	237	209Halt	130	5.0	4.3
223	211Halt Columbia Univ.	238	210Halt	131	5.0	4.3
224	212Halt Columbia Univ.	239	211Halt	132	5.0	4.3
225	213Halt Columbia Univ.	240	212Halt	133	5.0	4.3
226	214Halt Columbia Univ.	241	213Halt	134	5.0	4.3
227	215Halt Columbia Univ.	242	214Halt	135	5.0	4.3
228	216Halt Columbia Univ.	243	215Halt	136	5.0	4.3
229	217Halt Columbia Univ.	244	216Halt	137	5.0	4.3
230	218Halt Columbia Univ.	245	217Halt	138	5.0	4.3
231	219Halt Columbia Univ.	246	218Halt	139	5.0	4.3
232	220Halt Columbia Univ.	247	219Halt	140	5.0	4.3
233	221Halt Columbia Univ.	248	220Halt	141	5.0	4.3
234	222Halt Columbia Univ.	249	221Halt	142	5.0	4.3
235	223Halt Columbia Univ.	250	222Halt	143	5.0	4.3
236	224Halt Columbia Univ.	251	223Halt	144	5.0	4.3
237	225Halt Columbia Univ.	252	224Halt	145	5.0	4.3
238	226Halt Columbia Univ.	253	225Halt	146	5.0	4.3
239	227Halt Columbia Univ.	254	226Halt	147	5.0	4.3
240	228Halt Columbia Univ.	255	227Halt	148	5.0	4.3
241	229Halt Columbia Univ.	256	228Halt	149	5.0	4.3
242	230Halt Columbia Univ.	257	229Halt	150	5.0	4.3
243	231Halt Columbia Univ.	258	230Halt	151	5.0	4.3
244	232Halt Columbia Univ.	259	231Halt	152	5.0	4.3
245	233Halt Columbia Univ.	260	232Halt	153	5.0	4.3
246	234Halt Columbia Univ.	261	233Halt	154	5.0	4.3
247	235Halt Columbia Univ.	262	234Halt	155	5.0	4.3
248	236Halt Columbia Univ.	263	235Halt	156	5.0	4.3
249	237Halt Columbia Univ.	264	236Halt	157	5.0	4.3
250	238Halt Columbia Univ.	265	237Halt	158	5.0	4.3
251	239Halt Columbia Univ.	266	238Halt	159	5.0	4.3
252	240Halt Columbia Univ.	267	239Halt	160	5.0	4.3
253	241Halt Columbia Univ.	268	240Halt	161	5.0	4.3
254	242Halt Columbia Univ.	269	241Halt	162	5.0	4.3
255	243Halt Columbia Univ.	270	242Halt	163	5.0	4.3
256	244Halt Columbia Univ.	271	243Halt	164	5.0	4.3
257	245Halt Columbia Univ.	272	244Halt	165	5.0	4.3
258	246Halt Columbia Univ.	273	245Halt	166	5.0	4.3
259	247Halt Columbia Univ.	274	246Halt	167	5.0	4.3
260	248Halt Columbia Univ.	275	247Halt	168	5.0	4.3
261	249Halt Columbia Univ.	276	248Halt	169	5.0	4.3
262	250Halt Columbia Univ.	277	249Halt	170	5.0	4.3
263	251Halt Columbia Univ.	278	250Halt	171	5.0	4.3
264	252Halt Columbia Univ.	279	251Halt	172	5.0	4.3
265	253Halt Columbia Univ.	280	252Halt	173	5.0	4.3
266	254Halt Columbia Univ.	281	253Halt	174	5.0	4.3
267	255Halt Columbia Univ.	282	254Halt	175	5.0	4.3
268	256Halt Columbia Univ.	283	255Halt	176	5.0	4.3
269	257Halt Columbia Univ.	284	256Halt	177	5.0	4.3
270	258Halt Columbia Univ.	285	257Halt	178	5.0	4.3
271	259Halt Columbia Univ.	286	258Halt	179	5.0	4.3
272	260Halt Columbia Univ.	287	259Halt	180	5.0	4.3
273	261Halt Columbia Univ.	288	260Halt	181	5.0	4.3
274	262Halt Columbia Univ.	289	261Halt	182	5.0	4.3
275	263Halt Columbia Univ.	290	262Halt	183	5.0	4.3
276	264Halt Columbia Univ.	291	263Halt	184	5.0	4.3
277	265Halt Columbia Univ.	292	264Halt	185	5.0	4.3
278	266Halt Columbia Univ.	293	265Halt	186	5.0	4.3
279	267Halt Columbia Univ.	294	266Halt	187	5.0	4.3
280	268Halt Columbia Univ.	295	267Halt	188	5.0	4.3
281	269Halt Columbia Univ.	296	268Halt	189	5.0	4.3
282	270Halt Columbia Univ.	297	269Halt	190	5.0	4.3
283	271Halt Columbia Univ.	298	270Halt	191	5.0	4.3
284	272Halt Columbia Univ.	299	271Halt	192	5.0	4.3
285	273Halt Columbia Univ.	300	272Halt	193	5.0	4.3
286	274Halt Columbia Univ.	301	273Halt	194	5.0	4.3
287	275Halt Columbia Univ.	302	274Halt	195	5.0	4.3
288	276Halt Columbia Univ.	303	275Halt	196	5.0	4.3
289	277Halt Columbia Univ.	304	276Halt	197	5.0	4.3
290	278Halt Columbia Univ.	305	277Halt	198	5.0	4.3
291	279Halt Columbia Univ.	306	278Halt	199	5.0	4.3
292	280Halt Columbia Univ.	307	279Halt	200	5.0	4.3
293	281Halt Columbia Univ.	308	280Halt	201	5.0	4.3
294	282Halt Columbia Univ.	309	281Halt	202	5.0	4.3
295	283Halt Columbia Univ.	310	282Halt	203	5.0	4.3
296	284Halt Columbia Univ.	311	283Halt	204	5.0	4.3
297	285Halt Columbia Univ.	312	284Halt	205	5.0	4.3
298	286Halt Columbia Univ.	313	285Halt	206	5.0	4.3
299	287Halt Columbia Univ.	314	286Halt	207	5.0	4.3
300	288Halt Columbia Univ.	315	287Halt	208	5.0	4.3
301	289Halt Columbia Univ.	316	288Halt	209	5.0	

BEERS, WINES & SPIRITS

[illegible]

DRAPERY AND STORES

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

Empire Stores Grp...	86	0.1	-
Essex Furniture Sp.	28	11.88	2.3
Eaton 100	74	6.6	2.4

[illegible]

ENGINEERING

[illegible]

HOTELS AND CATERERS

50	37 Aberdeen St. Sp. a.	37	-1	0.75	2.7	-
51	37 City Centre S.W.	41	-4	1.27	2.7	11.0
52	130 Commercial St. S.	14	-	0.5	1.3	4.2
53	2100 Commercial St. S.	10	-	0.35	1.7	7.6
54	2100 Commercial St. S.	2	-	0.17	-	-
55	2100 Commercial St. S.	110	-	0.75	2.6	5.7
56	2100 Commercial St. S.	245	-5	19.79	2.3	9.4
57	2100 Commercial St. S.	10	-	0.35	1.7	7.6
58	2100 Commercial St. S.	10	-	0.35	1.7	7.6
59	2100 Commercial St. S.	23	-3	12.0	1.0	8.3
60	2100 Commercial St. S.	83	-1	12.28	1.6	11.3
61	2100 Commercial St. S.	77	-	7.9	1	5.0
62	2100 Commercial St. S.	47	-32	-	-	-
63	1600 North St. S.	156	-4	0.85	0.5	0
64	4700 North St. S.	47	-1	0.85	0.4	9.9
65	4700 North St. S.	61	-2	12.51	1.0	7.9
66	4700 North St. S.	215	-5	25.73	2.2	4.8
67	4700 North St. S.	215	-5	25.73	2.2	4.8

INDUSTRIALS (Miscel.)

133	ACAP Inc. 7.1p..	1400	1068	0.0	5.0	57	18.70
137	2799 AAR	1400	1068	0.0	5.0	57	18.70
138	2799 AAR	1400	1068	0.0	5.0	57	18.70
139	2799 AAR	1400	1068	0.0	5.0	57	18.70
140	2799 AAR	1400	1068	0.0	5.0	57	18.70
141	2799 AAR	1400	1068	0.0	5.0	57	18.70
142	2799 AAR	1400	1068	0.0	5.0	57	18.70
143	2799 AAR	1400	1068	0.0	5.0	57	18.70
144	2799 AAR	1400	1068	0.0	5.0	57	18.70
145	2799 AAR	1400	1068	0.0	5.0	57	18.70
146	2799 AAR	1400	1068	0.0	5.0	57	18.70
147	2799 AAR	1400	1068	0.0	5.0	57	18.70
148	2799 AAR	1400	1068	0.0	5.0	57	18.70
149	2799 AAR	1400	1068	0.0	5.0	57	18.70
150	2799 AAR	1400	1068	0.0	5.0	57	18.70
151	2799 AAR	1400	1068	0.0	5.0	57	18.70
152	2799 AAR	1400	1068	0.0	5.0	57	18.70
153	2799 AAR	1400	1068	0.0	5.0	57	18.70
154	2799 AAR	1400	1068	0.0	5.0	57	18.70
155	2799 AAR	1400	1068	0.0	5.0	57	18.70
156	2799 AAR	1400	1068	0.0	5.0	57	18.70
157	2799 AAR	1400	1068	0.0	5.0	57	18.70
158	2799 AAR	1400	1068	0.0	5.0	57	18.70
159	2799 AAR	1400	1068	0.0	5.0	57	18.70
160	2799 AAR	1400	1068	0.0	5.0	57	18.70
161	2799 AAR	1400	1068	0.0	5.0	57	18.70
162	2799 AAR	1400	1068	0.0	5.0	57	18.70
163	2799 AAR	1400	1068	0.0	5.0	57	18.70
164	2799 AAR	1400	1068	0.0	5.0	57	18.70
165	2799 AAR	1400	1068	0.0	5.0	57	18.70
166	2799 AAR	1400	1068	0.0	5.0	57	18.70
167	2799 AAR	1400	1068	0.0	5.0	57	18.70
168	2799 AAR	1400	1068	0.0	5.0	57	18.70
169	2799 AAR	1400	1068	0.0	5.0	57	18.70
170	2799 AAR	1400	1068	0.0	5.0	57	18.70
171	2799 AAR	1400	1068	0.0	5.0	57	18.70
172	2799 AAR	1400	1068	0.0	5.0	57	18.70
173	2799 AAR	1400	1068	0.0	5.0	57	18.70
174	2799 AAR	1400	1068	0.0	5.0	57	18.70
175	2799 AAR	1400	1068	0.0	5.0	57	18.70
176	2799 AAR	1400	1068	0.0	5.0	57	18.70
177	2799 AAR	1400	1068	0.0	5.0	57	18.70
178	2799 AAR	1400	1068	0.0	5.0	57	18.70
179	2799 AAR	1400	1068	0.0	5.0	57	18.70
180	2799 AAR	1400	1068	0.0	5.0	57	18.70
181	2799 AAR	1400	1068	0.0	5.0	57	18.70
182	2799 AAR	1400	1068	0.0	5.0	57	18.70
183	2799 AAR	1400	1068	0.0	5.0	57	18.70
184	2799 AAR	1400	1068	0.0	5.0	57	18.70
185	2799 AAR	1400	1068	0.0	5.0	57	18.70
186	2799 AAR	1400	1068	0.0	5.0	57	18.70
187	2799 AAR	1400	1068	0.0	5.0	57	18.70
188	2799 AAR	1400	1068	0.0	5.0	57	18.70
189	2799 AAR	1400	1068	0.0	5.0	57	18.70
190	2799 AAR	1400	1068	0.0	5.0	57	18.70
191	2799 AAR	1400	1068	0.0	5.0	57	18.70
192	2799 AAR	1400	1068	0.0	5.0	57	18.70
193	2799 AAR	1400	1068	0.0	5.0	57	18.70
194	2799 AAR	1400	1068	0.0	5.0	57	18.70
195	2799 AAR	1400	1068	0.0	5.0	57	18.70
196	2799 AAR	1400	1068	0.0	5.0	57	18.70
197	2799 AAR	1400	1068	0.0	5.0	57	18.70
198	2799 AAR	1400	1068	0.0	5.0	57	18.70
199	2799 AAR	1400	1068	0.0	5.0	57	18.70
200	2799 AAR	1400	1068	0.0	5.0	57	18.70
201	2799 AAR	1400	1068	0.0	5.0	57	18.70
202	2799 AAR	1400	1068	0.0	5.0	57	18.70
203	2799 AAR	1400	1068	0.0	5.0	57	18.70
204	2799 AAR	1400	1068	0.0	5.0	57	18.70
205	2799 AAR	1400	1068	0.0	5.0	57	18.70
206	2799 AAR	1400	1068	0.0	5.0	57	18.70
207	2799 AAR	1400	1068	0.0	5.0	57	18.70
208	2799 AAR	1400	1068	0.0	5.0	57	18.70
209	2799 AAR	1400	1068	0.0	5.0	57	18.70
210	2799 AAR	1400	1068	0.0	5.0	57	18.70
211	2799 AAR	1400	1068	0.0	5.0	57	18.70
212	2799 AAR	1400	1068	0.0	5.0	57	18.70
213	2799 AAR	1400	1068	0.0	5.0	57	18.70
214	2799 AAR	1400	1068	0.0	5.0	57	18.70
215	2799 AAR	1400	1068	0.0	5.0	57	18.70
216	2799 AAR	1400	1068	0.0	5.0	57	18.70
217	2799 AAR	1400	1068	0.0	5.0	57	18.70
218	2799 AAR	1400	1068	0.0	5.0	57	18.70
219	2799 AAR	1400	1068	0.0	5.0	57	18.70
220	2799 AAR	1400	1068	0.0	5.0	57	18.70
221	2799 AAR	1400	1068	0.0	5.0	57	18.70
222	2799 AAR	1400	1068	0.0	5.0	57	18.70
223	2799 AAR	1400	1068	0.0	5.0	57	18.70
224	2799 AAR	1400	1068	0.0	5.0	57	18.70
225	2799 AAR	1400	1068	0.0	5.0	57	18.70
226	2799 AAR	1400	1068	0.0	5.0	57	18.70
227	2799 AAR	1400	1068	0.0	5.0	57	18.70
228	2799 AAR	1400	1068	0.0	5.0	57	18.70
229	2799 AAR	1400	1068	0.0	5.0	57	18.70
230	2799 AAR	1400	1068	0.0	5.0	57	18.70
231	2799 AAR	1400	1068	0.0	5.0	57	18.70
232	2799 AAR	1400	1068	0.0	5.0	57	18.70
233	2799 AAR	1400	1068	0.0	5.0	57	18.70
234	2799 AAR	1400	1068	0.0	5.0	57	18.70
235	2799 AAR	1400	1068	0.0	5.0	57	18.70
236	2799 AAR	1400	1068	0.0	5.0	57	18.70
237	2799 AAR	1400	1068	0.0	5.0	57	18.70
238	2799 AAR	1400	1068	0.0	5.0	57	18.70
239	2799 AAR	1400	1068	0.0	5.0	57	18.70
240	2799 AAR	1400	1068	0.0	5.0	57	18.70
241	2799 AAR	1400	1068	0.0	5.0	57	18.70
242	2799 AAR	1400	1068	0.0	5.0	57	18.70
243	2799 AAR	1400	1068	0.0	5.0	57	18.70
244	2799 AAR	1400	1068	0.0	5.0	57	18.70
245	2799 AAR	1400	1068	0.0	5.0	57	18.70
246	2799 AAR	1400	1068	0.0	5.0	57	18.70
247	2799 AAR	1400	1068	0.0	5.0	57	18.70
248	2799 AAR	1400	1068	0.0	5.0	57	18.70
249	2799 AAR	1400	1068	0.0	5.0	57	18.70
250	2799 AAR	1400	1068	0.0	5.0	57	18.70
251	2799 AAR	1400	1068	0.0	5.0	57	18.70
252	2799 AAR	1400	1068	0.0	5.0	57	18.70
253	2799 AAR	1400	1068	0.0	5.0	57	18.70
254	2799 AAR	1400	1068	0.0	5.0	57	18.70
255	2799 AAR	1400	1068	0.0	5.0	57	18.70
256	2799 AAR	1400	1068	0.0	5.0	57	18.70
257	2799 AAR	1400	1068	0.0	5.0	57	18.70
258	2799 AAR	1400	1068	0.0	5.0	57	18.70
259	2799 AAR	1400	1068	0.0	5.0	57	18.70
260	2799 AAR	1400	1068	0.0	5.0	57	18.70
261	2799 AAR	1400	1068	0.0	5.0	57	18.70
262	2799 AAR	1400	1068	0.0	5.0	57	18.70
263	2799 AAR	1400	1068	0.0	5.0	57	18.70
264	2799 AAR	1400	1068	0.0	5.0	57	18.70
265	2799 AAR	1400	1068	0.0	5.0	57	18.70
266	2799 AAR	1400	1068	0.0	5.0	57	18.70
267	2799 AAR	1400	1068	0.0	5.0	57	18.70
268	2799 AAR	1400	1068	0.0	5.0	57	18.70
269	2799 AAR	1400	1068	0.0	5.0	57	18.70
270	2799 AAR	1400	1068	0.0	5.0	57	18.70
271	2799 AAR	1400	1068	0.0	5.0	57	18.70
272	2799 AAR	1400	1068	0.0	5.0	57	18.70
273	2799 AAR	1400	1068	0.0	5.0	57	18.70
274	2799 AAR	1400	1068	0.0	5.0	57	18.70
275	2799 AAR	1400	1068	0.0	5.0	57	18.70
276	2799 AAR	1400	1068	0.0	5.0	57	18.70
277	2799 AAR	1400	1068	0.0	5.0	57	18.70
278	2799 AAR	1400	1068	0.0	5.0	57	18.70
279	2799 AAR	1400	1068	0.0	5.0	57	18.70
280	2799 AAR	1400	1068	0.0	5.0	57	18.70
281	2799 AAR	1400	1068	0.0	5.0	57	18.70
282	2799 AAR	1400	1068	0.0	5.0	57	18.70
283	2799 AAR	1400	1068	0.0	5.0	57	18.70
284	2799 AAR	1400	1068	0.0	5.0	57	18.70
285	2799 AAR	1400	1068	0.0	5.0	57	18.70
286	2799 AAR	1400	1068	0.0	5.0	57	18.70
287	2799 AAR	1400	1068	0.0	5.0	57	18.70
288	2799 AAR	1400	1068	0.0	5.0	57	18.70
289	2799 AAR	1400	1068	0.0	5.0	57	18.70
290	2799 AAR	1400	1068	0.0	5.0	57	18.70
291	2799 AAR	1400	1068	0.0	5.0	57	18.70
292	2799 AAR	1400	1068	0.0	5.0	57	18.70
293	2799 AAR	1400	1068	0.0	5.0	57	18.70
294	2799 AAR	1400	1068	0.0	5.0	57	18.70
295	2799 AAR	1400	1068	0.0	5.0	57	18.70
296	2799 AAR	1400	1068	0.0	5.0	57	18.70
297	2799 AAR	1400	1068	0.0	5.0	57	18.70
298	2799 AAR	1400	1068	0.0	5.0	57	18.70
299	2799 AAR	1400	1068	0.0	5.0	57	18.70
300	2799 AAR	1400	1068	0.0	5.0	57	18.70
301	2799 AAR	1400	1068	0.0	5.0	57	18.70
302	2799 AAR	1400	1068	0.0	5.0	57	18.70
303	2799 AAR						

INSURANCES

[illegible]

LEISURE

1594	1208 American Life	107	7.0	3.0	8.6	5.2
1595	44 Allstate Life Sp.	107	81.65	2.0	1.0	1.0
1596	1209 American Life	107	1.0	1.0	1.0	1.0
1597	1210 American Life	107	1.0	1.0	1.0	1.0
1598	1211 American Life	107	1.0	1.0	1.0	1.0
1599	1212 American Life	107	1.0	1.0	1.0	1.0
1600	1213 American Life	107	1.0	1.0	1.0	1.0
1601	1214 American Life	107	1.0	1.0	1.0	1.0
1602	1215 American Life	107	1.0	1.0	1.0	1.0
1603	1216 American Life	107	1.0	1.0	1.0	1.0
1604	1217 American Life	107	1.0	1.0	1.0	1.0
1605	1218 American Life	107	1.0	1.0	1.0	1.0
1606	1219 American Life	107	1.0	1.0	1.0	1.0
1607	1220 American Life	107	1.0	1.0	1.0	1.0
1608	1221 American Life	107	1.0	1.0	1.0	1.0
1609	1222 American Life	107	1.0	1.0	1.0	1.0
1610	1223 American Life	107	1.0	1.0	1.0	1.0
1611	1224 American Life	107	1.0	1.0	1.0	1.0
1612	1225 American Life	107	1.0	1.0	1.0	1.0
1613	1226 American Life	107	1.0	1.0	1.0	1.0
1614	1227 American Life	107	1.0	1.0	1.0	1.0
1615	1228 American Life	107	1.0	1.0	1.0	1.0
1616	1229 American Life	107	1.0	1.0	1.0	1.0
1617	1230 American Life	107	1.0	1.0	1.0	1.0
1618	1231 American Life	107	1.0	1.0	1.0	1.0
1619	1232 American Life	107	1.0	1.0	1.0	1.0
1620	1233 American Life	107	1.0	1.0	1.0	1.0
1621	1234 American Life	107	1.0	1.0	1.0	1.0
1622	1235 American Life	107	1.0	1.0	1.0	1.0
1623	1236 American Life	107	1.0	1.0	1.0	1.0
1624	1237 American Life	107	1.0	1.0	1.0	1.0
1625	1238 American Life	107	1.0	1.0	1.0	1.0
1626	1239 American Life	107	1.0	1.0	1.0	1.0
1627	1240 American Life	107	1.0	1.0	1.0	1.0
1628	1241 American Life	107	1.0	1.0	1.0	1.0
1629	1242 American Life	107	1.0	1.0	1.0	1.0
1630	1243 American Life	107	1.0	1.0	1.0	1.0
1631	1244 American Life	107	1.0	1.0	1.0	1.0
1632	1245 American Life	107	1.0	1.0	1.0	1.0
1633	1246 American Life	107	1.0	1.0	1.0	1.0
1634	1247 American Life	107	1.0	1.0	1.0	1.0
1635	1248 American Life	107	1.0	1.0	1.0	1.0
1636	1249 American Life	107	1.0	1.0	1.0	1.0
1637	1250 American Life	107	1.0	1.0	1.0	1.0
1638	1251 American Life	107	1.0	1.0	1.0	1.0
1639	1252 American Life	107	1.0	1.0	1.0	1.0
1640	1253 American Life	107	1.0	1.0	1.0	1.0
1641	1254 American Life	107	1.0	1.0	1.0	1.0
1642	1255 American Life	107	1.0	1.0	1.0	1.0
1643	1256 American Life	107	1.0	1.0	1.0	1.0
1644	1257 American Life	107	1.0	1.0	1.0	1.0
1645	1258 American Life	107	1.0	1.0	1.0	1.0
1646	1259 American Life	107	1.0	1.0	1.0	1.0
1647	1260 American Life	107	1.0	1.0	1.0	1.0
1648	1261 American Life	107	1.0	1.0	1.0	1.0
1649	1262 American Life	107	1.0	1.0	1.0	1.0
1650	1263 American Life	107	1.0	1.0	1.0	1.0
1651	1264 American Life	107	1.0	1.0	1.0	1.0
1652	1265 American Life	107	1.0	1.0	1.0	1.0
1653	1266 American Life	107	1.0	1.0	1.0	1.0
1654	1267 American Life	107	1.0	1.0	1.0	1.0
1655	1268 American Life	107	1.0	1.0	1.0	1.0

MOTORS, AIRCRAFT TRADES.

6144	664	DAF N.V. F15	274	2	250%	2.010	4.8
144	914	General Motors	9	1	1012%	6.7	-
41	194	Arch Group Sp.	1	1	8	-	-
2221	6137	Volvo Group DM30	6137	334	0.22%	2.7	0
6441	628	Volvo K725	229	144	0.62%	4.3	4.9

Commercial Vehicles

هكذا مضى إلى منزل

LONDON SHARE SERVICE

Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

MOTORS, AIRCRAFT TRADES

Contd

1990	1989	1988	1987	1986	1985	1984	1983	1982	1981	1980	1979	1978	1977	1976	1975	1974	1973	1972	1971	1970	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960	1959	1958	1957	1956	1955	1954	1953	1952	1951	1950	1949	1948	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938	1937	1936	1935	1934	1933	1932	1931	1930	1929	1928	1927	1926	1925	1924	1923	1922	1921	1920	1919	1918	1917	1916	1915	1914	1913	1912	1911	1910	1909	1908	1907	1906	1905	1904	1903	1902	1901	1900	1899	1898	1897	1896	1895	1894	1893	1892	1891	1890	1889	1888	1887	1886	1885	1884	1883	1882	1881	1880	1879	1878	1877	1876	1875	1874	1873	1872	1871	1870	1869	1868	1867	1866	1865	1864	1863	1862	1861	1860	1859	1858	1857	1856	1855	1854	1853	1852	1851	1850	1849	1848	1847	1846	1845	1844	1843	1842	1841	1840	1839	1838	1837	1836	1835	1834	1833	1832	1831	1830	1829	1828	1827	1826	1825	1824	1823	1822	1821	1820	1819	1818	1817	1816	1815	1814	1813	1812	1811	1810	1809	1808	1807	1806	1805	1804	1803	1802	1801	1800	1799	1798	1797	1796	1795	1794	1793	1792	1791	1790	1789	1788	1787	1786	1785	1784	1783	1782	1781	1780	1779	1778	1777	1776	1775	1774	1773	1772	1771	1770	1769	1768	1767	1766	1765	1764	1763	1762	1761	1760	1759	1758	1757	1756	1755	1754	1753	1752	1751	1750	1749	1748	1747	1746	1745	1744	1743	1742	1741	1740	1739	1738	1737	1736	1735	1734	1733	1732	1731	1730	1729	1728	1727	1726	1725	1724	1723	1722	1721	1720	1719	1718	1717	1716	1715	1714	1713	1712	1711	1710	1709	1708	1707	1706	1705	1704	1703	1702	1701	1700	1699	1698	1697	1696	1695	1694	1693	1692	1691	1690	1689	1688	1687	1686	1685	1684	1683	1682	1681	1680	1679	1678	1677	1676	1675	1674	1673	1672	1671	1670	1669	1668	1667	1666	1665	1664	1663	1662	1661	1660	1659	1658	1657	1656	1655	1654	1653	1652	1651	1650	1649	1648	1647	1646	1645	1644	1643	1642	1641	1640	1639	1638	1637	1636	1635	1634	1633	1632	1631	1630	1629	1628	1627	1626	1625	1624	1623	1622	1621	1620	1619	1618	1617	1616	1615	1614	1613	1612	1611	1610	1609	1608	1607	1606	1605	1604	1603	1602	1601	1600	1599	1598	1597	1596	1595	1594	1593	1592	1591	1590	1589	1588	1587	1586	1585	1584	1583	1582	1581	1580	1579	1578	1577	1576	1575	1574	1573	1572	1571	1570	1569	1568	1567	1566	1565	1564	1563	1562	1561	1560	1559	1558	1557	1556	1555	1554	1553	1552	1551	1550	1549	1548	1547	1546	1545	1544	1543	1542	1541	1540	1539	1538	1537	1536	1535	1534	1533	1532	1531	1530	1529	1528	1527	1526	1525	1524	1523	1522	1521	1520	1519	1518	1517	1516	1515	1514	1513	1512	1511	1510	1509	1508	1507	1506	1505	1504	1503	1502	1501	1500	1499	1498	1497	1496	1495	1494	1493	1492	1491	1490	1489	1488	1487	1486	1485	1484	1483	1482	1481	1480	1479	1478	1477	1476	1475	1474	1473	1472	1471	1470	1469	1468	1467	1466	1465	1464	1463	1462	1461	1460	1459	1458	1457	1456	1455	1454	1453	1452	1451	1450	1449	1448	1447	1446	1445	1444	1443	1442	1441	1440	1439	1438	1437	1436	1435	1434	1433	1432	1431	1430	1429	1428	1427	1426	1425	1424	1423	1422	1421	1420	1419	1418	1417	1416	1415	1414	1413	1412	1411	1410	1409	1408	1407	1406	1405	1404	1403	1402	1401	1400	1399	1398	1397	1396	1395	1394	1393	1392	1391	1390	1389	1388	1387	1386	1385	1384	1383	1382	1381	1380	1379	1378	1377	1376	1375	1374	1373	1372	1371	1370	1369	1368	1367	1366	1365	1364	1363	1362	1361	1360	1359	1358	1357	1356	1355	1354	1353	1352	1351	1350	1349	1348	1347	1346	1345	1344	1343	1342	1341	1340	1339	1338	1337	1336	1335	1334	1333	1332	1331	1330	1329	1328	1327	1326	1325	1324	1323	1322	1321	1320	1319	1318	1317	1316	1315	1314	1313	1312	1311	1310	1309	1308	1307	1306	1305	1304	1303	1302	1301	1300	1299	1298	1297	1296	1295	1294	1293	1292	1291	1290	1289	1288	1287	1286	1285	1284	1283	1282	1281	1280	1279	1278	1277	1276	1275	1274	1273	1272	1271	1270	1269	1268	1267	1266	1265	1264	1263	1262	1261	1260	1259	1258	1257	1256	1255	1254	1253	1252	1251	1250	1249	1248	1247	1246	1245	1244	1243	1242	1241	1240	1239	1238	1237	1236	1235	1234	1233	1232	1231	1230	1229	1228	1227	1226	1225	1224	1223	1222	1221	1220	1219	1218	1217	1216	1215	1214	1213	1212	1211	1210	1209	1208	1207	1206	1205	1204	1203	1202	1201	1200	1199	1198	1197	1196	1195	1194	1193	1192	1191	1190	1189	1188	1187	1186	1185	1184	1183	1182	1181	1180	1179	1178	1177	1176	1175	1174	1173	1172	1171	1170	1169	1168	1167	1166	1165	1164	1163	1162	1161	1160	1159	1158	1157	1156	1155	1154	1153	1152	1151	1150	1149	1148	1147	1146	1145	1144	1143	1142	1141	1140	1139	1138	1137	1136	1135	1134	1133	1132	1131	1130	1129	1128	1127	1126	1125	1124	1123	1122	1121	1120	1119	1118	1117	1116	1115	1114	1113	1112	1111	1110	1109	1108	1107	1106	1105	1104	1103	1102	1101	1100	1099	1098	1097	1096	1095	1094	1093	1092	1091	1090	1089	1088	1087	1086	1085	1084	1083	1082	1081	1080	1079	1078	1077	1076	1075	1074	1073	1072	1071	1070	1069	1068	1067	1066	1065	1064	1063	1062	1061	1060	1059	1058	1057	1056	1055	1054	1053	1052	1051	1050	1049	1048	1047	1046	1045	1044	1043	1042	1041	1040	1039	1038	1037	1036	1035	1034	1033	1032	1031	1030	1029	1028	1027	1026	1025	1024	1023	1022	1021	1020	1019	1018	1017	1016	1015	1014	1013	1012	1011	1010	1009	1008	1007	1006	1005	1004	1003	1002	1001	1000	999	998	997	996	995	994	993	992	991	990	989	988	987	986	985	984	983	982	981	980	979	978	977	976	975	974	973	972	971	970	969	968	967	966	965	964	963	962	961	960	959	958	957	956	955	954	953	952	951	950	949	948	947	946	945	944	943	942	941	940	939	938	937	936	935	934	933	932	931	930	929	928	927	926	925	924	923	922	921	920	919	918	917	916	915	914	913	912	911	910	909	908	907	906	905	904	903	902	901	900	899	898	897	896	895	894	893	892	891	890	889	888	887	886	885	884	883	882	881	880	879	878	877	876	875	874	873	872	871	870	869	868	867	866	865	864	863	862	861	860	859	858	857	856	855	854	853	852	851	850	849	848	847	846	845	844	843	842	841	840	839	838	837	836	835	834	833	832	831	830	829	828	827	826	825	824	823	822	821	820	819	818	817	816	815	814	813	812	811	810	809	808	807	806	805	804	803	802	801	800	799	798	797	796	795	794	793	792	791	790	789	788	787	786	785	784	783	782	781	780	779	778	777	776	775	774	773	772	771	770	769	768	767	766	765	764	763	762	761	760	759	758	757	756	755	754	753	752	751	750	749	748	747	746	745	744	743	742	741	740	739	738	737	736	735	734	733	732	731	730	729	728	727	726	725	724	723	722	721	720	719	718	717	716	715	714	713	712	711	710	709	708	707	706	705	704	703	702	701	700	699	698	697	696	695	694	693	692	691	690	689	688	687	686	685	684	683	682	681	680	679	678	677	676	675	674	673	672	671	670	669	668	667	666	665	664	663	662	661	660	659	658	657	656	655	654	653	652	651	650	649	648	647	646	645	644	643	642	641	640	639	638	637	636	635	634	633	632	631	630	629	628	627	626	625	624	623	622	621	620	619	618	617	616	615	614	613	612	611	610	609	608	607	606	605	604	603	602	601	600	599	598	597	596	595	594	593	592	591	590	589	588	587	586	585	584	583
------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	------	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----

Init Size	Cash Price	Bid Price	Offer + nr Price -	Yield Gr%
--------------	---------------	--------------	-----------------------	--------------

[illegible]

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

Continued on next page

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128.

Adams & Neville Fund Mngt (Expense)			
BlackRock Bond Fund Inc	72.29	2.34	
WorldWest Cap Fd Acc	51.46	1.54	..

1
Jp 111550

[illegible]

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling continues to slide

THE DOLLAR remained firm yesterday as market participants believed there would be no early easing of US monetary policy. Meanwhile, sterling was depressed, particularly against the dollar, on lingering uncertainties over the timing of its membership of the European exchange rate mechanism.

In the absence of major economic statistics or policy statements, trading in the currency markets was quiet. Instead, dealers tried to assess the latest pronouncements by Mr Alan Greenspan, chairman of the Federal Reserve, and Mr Karl Otto Pöhl, president of the Bundesbank.

Mr Greenspan had stressed that inflation was still a major problem for the US. While the economy was growing "very slowly", there was still no evidence that a recession had begun. The market interpreted this as ruling out an early easing in monetary policy, which many analysts had believed was imminent. This continued to fuel the dollar's advance throughout the session.

In European trading hours the main feature was the execution in the London interbank market of three medium-sized orders of \$100m-\$300m each, involving the dollar for sterling, D-Marks and yen.

A deal involving the D-Mark/

yen cross-rate was also executed. The transactions were spread across the buy and sell side, and this explained the dollar's mixed performance.

The dollar closed firmer at DM1.5805 from DM1.5680; at SF1.3200 from SF1.3050; and at FF5.2875 from FF5.2503. The Bank of England's dollar index finished 0.1 up at 82.9.

Sterling continued to weaken after Mr Pöhl had appeared to cast doubt on any early British entry to the ERM. But traders believed this initial interpretation of Mr Pöhl's remarks may have been incorrect. Mr Pöhl had been taking a longer term view and not discussing the immediate prospects for sterling's ERM entry.

None the less, Mr Pöhl's comments about the problems that the UK would have if it joins the ERM with a significantly higher inflation rate than the rest of Europe served to remind the London markets

that entry into the ERM may not take place in November, their assumed month for entry. Mr David Cocker, chief economic adviser at Chemical Bank, said: "Before Mr Pöhl's comments the markets had fully discounted membership of the ERM in November. Now there is a fear that inflation, which could make entry more difficult."

Mr Cocker added that he still believed sterling would join the ERM in November, "purely for political reasons," although he thought it possible that entry could be delayed until next spring.

Sterling closed unchanged at DM2.5550; but fell to \$1.8690 from \$1.8850; to FF9.8825 from FF9.8975; and rose to SF2.4670 from SF2.4500. The Bank of England's trade-weighted sterling index eased 0.3 to 93.7. The pound rallied in New York to end at \$1.8730.

EMS EUROPEAN CURRENCY UNIT RATES				
	Unit	Rate	% change	% change
			from previous	from previous
			close	close
Belgium Franc	100	42.9920	+0.53	+0.20
Dutch Guilder	100	7.7845	+0.74	+0.41
French Franc	100	6.5545	+0.64	+0.36
German Mark	100	6.5545	+0.64	+0.36
Italian Lira	1,000	1,366.00	+0.46	+0.13
Spanish Peseta	100	166.64	+0.50	+0.13
Swiss Franc	100	2.0375	+0.52	+0.13

Source: Bank of England. Percentages show percentage change from previous close.

Forward rates for 12 months are shown in italics.

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

FINANCIAL FUTURES AND OPTIONS

LIFE LONG CITY FUTURES OPTIONS

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

C IN NEW YORK

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$100 million).

Estimated volume 1,000 (US\$100 million).

Previous day's open: 1,000 (US\$10

CANADA																				
Sales	Stock	High	Low	Close	Change	Sales	Stock	High	Low	Close	Change	Sales	Stock	High	Low	Close	Change			
TORONTO																				
Closing prices September 20																				
Quotations in cents unless marked S																				
3582 Alcan P	51 1/2	51 1/2	51 1/2	51 1/2	0	7109 Chrysler	320	310	315	-10	4022 Lafarge A	22 1/2	21 1/2	21 1/2	0	24802 Seagram	58 1/2	58 1/2	58 1/2	0
3583 Alcan S	51 1/2	51 1/2	51 1/2	51 1/2	0	23400 Co Steel	21 1/2	21 1/2	21 1/2	0	47478 Lafarge B	22 1/2	21 1/2	21 1/2	0	25015 Seagram	58 1/2	58 1/2	58 1/2	0
4590 Alcan E	51 1/2	51 1/2	51 1/2	51 1/2	0	1800 TCC Dev	21 1/2	21 1/2	21 1/2	0	10000 Laidlaw A	22 1/2	21 1/2	21 1/2	0	721 Shell Can	58 1/2	58 1/2	58 1/2	0
10700 Alcan G	51 1/2	51 1/2	51 1/2	51 1/2	0	8000 Comcon	24 1/2	24 1/2	24 1/2	0	10000 Laidlaw B	22 1/2	21 1/2	21 1/2	0	10140 Seagram	58 1/2	58 1/2	58 1/2	0
31800 Alcan H	51 1/2	51 1/2	51 1/2	51 1/2	0	4000 Con TVR	42 1/2	42 1/2	42 1/2	0	4000 Laidlaw C	22 1/2	21 1/2	21 1/2	0	8021 Southern	58 1/2	58 1/2	58 1/2	0
10700 Alcan I	51 1/2	51 1/2	51 1/2	51 1/2	0	2175 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw D	22 1/2	21 1/2	21 1/2	0	35325 Seagram	58 1/2	58 1/2	58 1/2	0
10700 Alcan J	51 1/2	51 1/2	51 1/2	51 1/2	0	3512 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw E	22 1/2	21 1/2	21 1/2	0	71821 Tack B	58 1/2	58 1/2	58 1/2	0
10700 Alcan K	51 1/2	51 1/2	51 1/2	51 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw F	22 1/2	21 1/2	21 1/2	0	10338 Theatrical	58 1/2	58 1/2	58 1/2	0
22398 BCE A	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw G	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE B	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw H	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE C	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw I	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE D	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw J	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE E	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw K	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE F	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw L	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE G	58 1/2	58 1/2	58 1/2	58 1/2	0	8025 Dream Gas	22 1/2	22 1/2	22 1/2	0	10000 Laidlaw M	22 1/2	21 1/2	21 1/2	0	300 UAP Inc	51 1/2	51 1/2	51 1/2	0
10700 BCE H	58																			

FINANCIAL TIMES**FINANCIAL TIMES**

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

Continued on Page 20

NYSE COMPOSITE PRICES

[illegible]

AMEX COMPOSITE PRICES

[illegible]**NASDAQ NATIONAL MARKET**[illegible]

WEEKEND F
Advertisement Rates

	Per Box (min. 3 Boxes)
Residential Prep (mono) (Full Colour)	7.00
(Spot Colour Per Colour)	\$24.00
Personal - Mail Order,	
Appeals - Education,	11.00
Motor, Travel	5.00
Diversities	15.00
Weekend Business	11.00
Arts, Collecting	2.50
Art Galleries	-
Books Page	-
Books Panel	-

All prices exclude VAT

For further details write to:

Classified Advertisement Man

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BR

NUMBER ONE SOUTHWEST
London SE1 9HL

AMERICA

Dow mirrors overseas weakness in thin trade

Wall Street

DISAPPOINTMENT with Wednesday's assessment of the economy by Mr Alan Greenspan, the Federal Reserve chairman, coupled with sharp falls in overseas stock markets, sent US shares tumbling yesterday, writes Janet Bush in New York.

The Dow Jones Industrial Average closed 38.11 lower at 2,518.32 after another moderate volume on the New York SE of 145m shares. The index lost about 14 points on Wednesday.

The selling yesterday was broadly based and exacerbated by waves of stock index arbitrage sales in a market which was thin because many traders were absent for the observance of the Jewish New Year. The Standard & Poor's 500 fell 6.11 to 311.49 and the NYSE Composite Index was down 2.69 to 3,171.22.

The US market was also troubled by falls on overseas markets. Tokyo declined for the sixth consecutive trading day to set another low for the year, amid concern about tighter Japanese monetary policy.

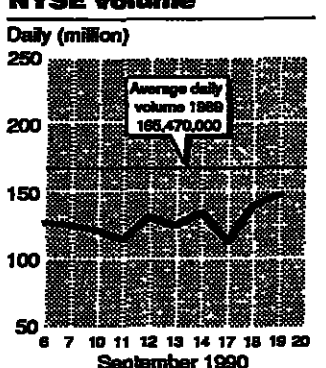
At the heart of yesterday's poor US performance, however, were Mr Greenspan's comments. He told the Joint Economic Committee of Congress that the economy was moving closer to recession and also that the core rate of inflation was moving higher. His heavy emphasis on inflation during his testimony suggested that he was reluctant to ease monetary policy, another downer for the equity market.

The only source of hope for corporate earnings in an econ-

omy which is sluggish at best was that the Fed would ease interest rates. But inflationary pressures, which are likely to be even more evident as the Middle East crisis drags on, make this difficult.

This sober outlook prompted further downward revisions of earnings estimates for this year and next. Citicorp, Lowe's and Armstrong World

NYSE volume



all fell sharply on Wednesday as their earnings outlooks were downgraded.

Gillette dropped 3 1/2% to \$51.00 on reports that analysts at Salomon Brothers had made some negative remarks about the stock. Salomon confirmed that it had made some comments but declined to be more specific.

Among blue chips, IBM, which has been performing strongly in recent sessions, shed 3/4% to \$107 1/4. General Electric slipped 1/4% to \$55 1/4, Procter & Gamble 1/4% to \$74 and Merck 1/4% to \$73 1/4. Citicorp declined 1/4% to \$16 1/4 after Mr Donald Trump, the

New York real estate developer, defaulted on a \$245m loan from a unit of the bank which was used to buy the Trump Shuttle. Mr Trump has asked Citicorp to restructure the payments due on the loan.

Apple Bancorp jumped 5 1/2% to \$36 1/4 after the company said it would agree to terminate two trusts if Mr Stanley Stahl, the New York real estate investor, executed his \$38 a share tender offer before this year's annual meeting. Mr Stahl had been calling for the elimination of these trusts, which were created in response to his bid.

MBIA, an insurer of municipal bonds, weakened 3/4% to \$26 1/4 on speculation that there could be one or more defaults on tax-exempt bond issues.

Furr's-Bishop, an operator of cafeterias, lost 1/4% to \$4. The partnership said it would omit \$100 million of stock from its \$100 million ADRs after the group said that its 1990 net profits would at least match 1989 levels, but added that this excluded the effect of real estate sales, which, last year, took the net level up by \$16.5m to \$127.4m.

Meanwhile, after Wednesday's Deutsche Babcock forecast of a 1989/90 loss of DM80bn, there was speculation that the result could be even worse and the shares fell DM8 to DM143.20, 44 per cent below their high for the year.

FAIRFAX fell 1/4% to \$15.50 on the CAC 40 index, which dropped 29.68 or 1.9 per cent to 1,540.80, passing the previous low set four and a half weeks ago. Turnover was more active, estimated at FF2.5bn to FF2.6bn after Wednesday's FF2.1bn, which had included a big push-through in shares. The index rose slightly at

EUROPE

Company prospects influence falling bourses

MORE BOURSES sank to 1990 lows yesterday, as profits news and speculation influenced individual share prices, writes Our Markets Staff.

FRANKFURT closed lower for the sixth day in succession, hitting 1990 lows again for both the FAZ and the DAX indices as volume held Wednesday's higher levels. After a 6.87 fall to 627.79 in the FAZ, the DAX closed 30.03, or 2 per cent, lower at 1,457.51. Volume was maintained at DM4.8bn.

There were general and particular case stories. One charter, peering downwards after Tuesday's breach of the 1,525 level, saw no further support for the DAX below 1,420.

On the Deutsche Terminbörse, 35,580 futures were traded, the highest volume since the 47,488 of August 27, and the ratio of puts to calls climbed to 1.26.

At corporate level, falls were widespread. Philipp Holzmann ended DM130, or 9 per cent, down to DM132.20, after a day's loss of DM1.20. The construction group said that its 1990 net profits would at least match 1989 levels, but added that this excluded the effect of real estate sales, which, last year, took the net level up by \$16.5m to \$127.4m.

Meanwhile, after Wednesday's Deutsche Babcock forecast of a 1989/90 loss of DM80bn, there was speculation that the result could be even worse and the shares fell DM8 to DM143.20, 44 per cent below their high for the year.

FAIRFAX fell 1/4% to \$15.50 on the CAC 40 index, which dropped 29.68 or 1.9 per cent to 1,540.80, passing the previous low set four and a half weeks ago. Turnover was more active, estimated at FF2.5bn to FF2.6bn after Wednesday's FF2.1bn, which had included a big push-through in shares. The index rose slightly at

the opening as professionals squared positions in the hope of a technical rally, following seven days of declines and on the last day of the monthly trading account. However, by noon they were selling out of those positions as Frankfurt fell and Wall Street opened lower, said one analyst.

Good profits news boosted a few shares, with LVMH, the drinks and luxury goods group, rising in early trading to FF3.34 after announcing a 23 per cent gain in half-year net earnings. However, the stock closed at FF3.24, down FF12, as profit-taking set in and on

the realisation that operating profit had fallen slightly. La Redoute, the mail order company, jumped FF2.145 or 6.5 per cent to FF2.245 after announcing that first-half net profits had more than doubled. Chargeurs, the conglomerate, gained FF9 to FF788 after reporting first-half earnings.

In contrast, CMB Packaging, which announced first-half figures well below expectations on Wednesday, dropped FF8.80 to FF114.90.

MILAN slumped to a new low for the year in minimal volume. The Comit index dropped 11.24 to 572.22.

Mr Filippo Lardera of UBS-Phillips and Drew said, apart from the Gulf uncertainty, the Italian stock market was also suffering from a lack of demand in spite of the mutual funds' high liquidity. But this was likely to be soaked up by the State's large offer of Treasury bills at its regular mid-month refunding auction, which aims to raise L3.5 trillion of fresh funds.

To add to the gloom, corporate prospects were deteriorating as hopes of lower interest rates faded. "To cap it all, foreigners have turned cold towards the Italian stock market," said Mr Lardera.

Fears that Italy would be badly hit by oil prices were compounded by the International Monetary Fund's World Economic Outlook, released on Wednesday, which said Italy would be hit harder than its European counterparts.

Olivetti, which said it was planning further cuts in its workforce in 1991, eased L130 to L3.821. It reports first-half results next week. The state-controlled Banca Commerciale fell L201 to L4.858 after reporting a 14.4 per cent rise in gross operating profit.

AMSTERDAM closed lower for the sixth straight session in thin volume which concentrated on the leading stocks. The resignation of the agriculture and fisheries minister late on Wednesday also sparked worries about the future of the centre-left coalition Government. The CBS Tendency index fell L5 to 98.0.

Shares of Centor Parc, the leisure group, were suspended at 70.80 until today, as the company said it expected Scottish & Newcastle of the UK to make a friendly F180-a-share bid for the 25.1 per cent of Centor Parc it does not own.

Philips, the electronics company, shed 70 cents to FF2.90, after news that it would sell its 15 per cent stake in AT&T Network Systems International.

BRUSSELS eased. Trading in Fabrique Nationale (FN), the troubled arms maker, was suspended before official dealings after its preference shares rose BF18 to BF19 in the pre-bourse. There were rumours that FN had won a BF2.4bn order and that GAT, the French arms concern, was looking at buying parts of the Belgian company.

Concerns for the construction sector pulled Glaxo, the glassmaker, down BF2.00 or 11 per cent to BF2.00. The cash market index fell 34.87 to a year's low of 5,211.19.

ZURICH reached a 1990 low. The Credit Suisse index fell 5.9 to 514.3.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

Mixed pickings in the North

By Karen Fossell in Oslo and Jacqueline Moore in London

THE OUTLOOK for most of Scandinavia's markets is not encouraging, according to analysts, although Norway continues to be favoured for its oil production, and Denmark offers the potential for selective bargain hunting.

The Nordic countries have had a sluggish September, says Mr Keld Holm, chief analyst at Bihuen, the Danish brokers, this follows an August drop of 9.7 per cent in the Nordic index, according to statistics compiled by the Oslo bourse on behalf of the four exchanges, which compared with a fall of more than 18 per cent for continental Europe.

Economic prospects lie behind the differing performances of the four markets. Norway's economy looks the most sound, because of the increase in exports from its offshore oil activities, says Mr Holm. By contrast, the outlook for Sweden is gloomy, and a recovery is not expected before 1992. Bihuen expects gross domestic product to decline to 1 per cent this year from 2.1 per cent in 1989, and points out that the inflation rate is currently more than 10 per cent a year.

In August, Stockholm experienced the biggest fall of the four Nordic markets at 11.1 per cent. Poor corporate results helped to undermine investor confidence. Mr Holm favours shares of companies that have strong international businesses, such as Ericsson, the telecommunications group, and Asea, the engineering company, because these are more

resistant to the local economy. Oslo sustained the second biggest decline last month; it slumped by 6.4 per cent, unable to benefit from high world crude oil prices because shipping stocks had taken a beating as a result of the Iraq/Kuwait crude oil and general import embargoes.

Copenhagen fell by 6.7 per cent; Denmark imports about 15 per cent of its oil needs, although the economy has been on an upswing and may be little affected by the inflationary pressures associated with high oil prices. In spite of Denmark's fall, it performed significantly better in August than most other European markets.

Helsinki, with its high inflation at 6.5 per cent and question marks over whether its economy has bottomed out, declined by 6.1 per cent in August, the smallest fall of the four, due mostly to confidence

that there may be an improvement in corporate earnings for this year. The Finnish market continues to be one of the world's worst performers this year, having fallen about 23 per cent in 1989 compared with a continental European loss of about 17 per cent.

For the second month running, Oslo was the most liquid market in August, according to the Oslo bourse figures, largely owing to its oil stocks, which turned over 68.9 per cent of its market capitalisation last month.

Copenhagen followed Oslo but managed to turn over just 31.4 per cent of its capitalisation. Helsinki was the least liquid of the four, turning over just 9.3 per cent of its market capitalisation, followed by Stockholm at 14.2 per cent.

The combined turnover of Nordic stocks expanded to \$4.628bn in August from \$3.538bn for July.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

JOHANNESBURG continued weak, with modest institutional interest at the lows partially offsetting nervous selling by private investors. The JSE all-gold index fell 9 to 1,497 and the all-share index dropped 22 to 2,721.

ASIA PACIFIC

Nikkei slides to another year's low

Tokyo

A LACK of market-moving news, coupled with selling by institutional investors to minimise losses before they close their books, kept share prices defensive, and the Nikkei average finished at another low for the year yesterday, writes Michiko Nakamoto in Tokyo.

Shares continued their slide as a lack of incentives kept buying subdued, while dealers and institutional investors sold to reduce losses. The market once again tracked the futures market, rising in early trading, falling in mid-morning and then recovering somewhat in the afternoon.

By the close, however, both the cash and futures market had fallen back again, with the Nikkei average down 123.19 at a low for the year of 3,502.53. This was the sixth consecutive decline for the market. In London, the ISE/Nikkei 50 index fell 19.76 to 1,312.15.

Apart from selling to minimise their losses before closing their books, institutional investors were largely sidelined as the situation in the Gulf was still uncertain and domestic interest rates remained high.

In the afternoon, talk that Iraq was ready to retreat from Kuwait as long as the Kuwaiti Emir was replaced provided the market with a measure of encouragement. The brighter outlook was short-lived, however, as sluggish bond prices dampened the mood.

Volume was a modest 400m shares, although higher than Wednesday's 360m. During the day the Nikkei index moved between 23,856.41 and 23,432.18. Declines were far ahead of

advances at 754 against 191 and 156 issues were unchanged. The Topix index of all listed stocks was battered by the sharp declines in heavily capitalised issues and fell 31.75 to a low for the year of 1,767.97.

Financials continued to be hard hit by the market's overall decline and by the gloomy outlook for their earnings. In addition, early news that Iraq would confiscate foreign assets held in the country further sapped interest in bank shares.

Several banks hit their lows for the year, including Industrial Bank of Japan, one of four Japanese banks which still has an AAA rating by Moody's. IBJ's loss of ¥250, or 10 per cent, to ¥2,240 was the heaviest fall in yesterday's market.

Other issues sensitive to high interest rates and rising oil prices extended their losses. Japan Air Lines was depressed as analysts estimated that a \$1 rise in oil prices would chop ¥30m off its pre-tax profits. It shed ¥10 to ¥1,270.

Itomaru, a trading company specialising in textiles which has also been actively involved in property development and lending, suffered a ¥100 fall to ¥1,100. A press report stated that it was planning substantially to reduce real estate-related debts to stem the negative effect of rising interest rates on its earnings.

Speculative issues and those with special incentives attracted some buying. Kobe Steel led the active with 13.6m shares and gained ¥4 to ¥330 on continued expectations that demand for aluminium will boost its business.

In Osaka, the OSE average fell 218.56 to 27,709.08. Volume was robust at 294m shares, up

from Wednesday's 261m. Institutional investors were reported to be conducting substantial cross trades on the Osaka Exchange.

Roundup

PACIFIC Rim markets put in a mixed performance yesterday. TAIWAN fell to a 32-month low, undermined by a report in the Hong Kong-based South China Morning Post saying Chinese leader Deng Xiaoping had recently criticised Taiwan.

The weighted index plunged 202.55, or 6.4 per cent, to 2,952.72. Turnover rose slightly to NT\$16.31m.

SEOUL lost faith in the Government's recently announced measures to support the stock market amid renewed fears of uncollected accounts and unredeemed margin loan accounts at securities companies. Local investors own a total of ₩1.9 trillion to securities companies, due to plunges in share prices in recent months. The composite index lost 7.61 to 585.19. Volume fell to ₩113.4bn from ₩191.2bn.

BANGKOK fell on political uncertainty arising from a conflict between two senior Cabinet ministers, and prospects of further increases in domestic oil prices. The SET index ended 39.28, or 5.7 per cent, lower at 647.35.

HONG KONG snapped a five-day losing streak on hopes of a rosy interim report from Hong Kong Land today. The Hang Seng index edged up 3.59 to 2,984.54 but turnover remained low at HK\$450m after Wednesday's HK\$385m. HK Land gained 10 cents to HK\$7.80.

ANALYSTS finished sharply higher on a share issue, hunting and short-covering. The composite index rose 32.40 to 643.91. Turnover fell to 58m pesos from 63m. Investors were also soothed by a decision by President Corason Aquino to slash oil taxes by as much as 60 per cent to soften the impact of higher retail prices for gasoline and other petroleum products.

AUSTRALIA slipped for the sixth day in a row on concern about domestic corporate earnings. The All Ordinaries index lost 5.1 to 1,446.6, but was up from an intraday low of 1,435.5. Turnover rose slightly to A\$145m. The banking sector was under pressure as nervousness spread about possible bad debts and exposure to financially troubled companies.

Rupert Murdoch's News Corp shed 15 cents to A\$10.45 after the company denied a report that it planned to raise its share price to A\$12. The company said: "There has been a series of discussions with the Australian Stock Exchange regarding the structure of the company's authorised capital, and an announcement of the proposed changes will be made next week."

NEW ZEALAND was little changed in thin turnover of NZ\$4.9m, down from NZ\$9.8m. SINGAPORE fell afresh, the Straits Times Industrial index losing 6.20 to 1,168.28. In KUALA LUMPUR the composite index shed 6.60 to 518.58.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS		THURSDAY SEPTEMBER 20 1990										WEDNESDAY SEPTEMBER 19 1990										DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	1990 High	1990 Low	Year ago (approx)
Australia (78)	140.78	-0.8	111.67	121.74	115.68	113.16	-0.3	6.72	141.98	111.67	123.45	115.74	113.61	128.21	125.85	151.56	140.78	111.67	123.45	115.74	113.61	128.21	125.85	151.56
Austria (19)	187.51	-2.2	158.68	170.80	162.30	162.11	-0.8	1.68	187.51	158.68	170.80	162.30	162.11	160.29	160.02	132.01	187.51	158.68	170.80	162.30	162.11	160.29	160.02	132.01
Belgium (61)	132.01	-1.4	104.72	114.14	108.47	105.64	-0.8	1.68	133.85	105.26	116.37	109.11	106.92	108.21	103.01	138.41	132.01	104.72	114.14	108.47	105.64	106.92	108.21	103.01
Canada (119)	130.19	-0.2	103.27	112.57	106.97	103.79	-0.5	3.74	130.49	102.83	113.18	106.37	103.83	103.61	103.61	194.25	130.19	103.27	112.57	106.97	103.79	103.83	103.61	103.61
Denmark (35)	251.54	-0.9	199.54	217.52	203.68	204.50	-0.8	1.45	251.78	199.51	220.67	207.92	207.92	207.92	207.92	194.25	251.54	199.54	217.52	203.68	204.50	207.92	207.92	207.92
Finland (26)	83.22	-0.2	80.01	92.77	89.10	85.07	-1.6	1.10	83.22	80.01	92.77	89.10	85.07	85.07	84.78	128.46	83.22	80.01	92.77	89.10	85.07	85.07	84.78	128.46
France (122)	128.41	-2.6	101.86	111.03	105.50	106.50	-1.9	3.85	131.81	103.87	114.80	107.45	105.25	105.05	105.05	128.41	128.41	101.86	111.03	105.50	106.50	105.25	105.05	128.41
West Germany (92)	111.11	-1.9	86.14	96.08	91.29	81.29	-1.1	2.46	113.26	89.08	98.48	92.33	82.33	82.33	82.33	144.63	111.11	86.14	96.08	91.29	81.29	82.33	82.33	144.63
Hong Kong (18)	122.02	+0.2	96.80	105.02	100.27	121.55	+0.2	5.35	121.04	95.83	105.93	99.53	121.37	147.48	112.24	112.90	122.02	96.80	105.02	100.27	121.55	147.48	112.24	112.90
India (17)	83.22	-0.2	80.01	92.77	89.10	85.07	-1.6	1.10	83.22	80.01	92.77	89.10	85.07	85.07	84.78	128.46	83.22	80.01	92.77	89.10	85.07	85.07	84.78	128.46
Japan (45)	122.57	-1.3	97.23	105.98	100.73	105.98	-1.9	0.80	124.28	97.17	108.02	101.29	108.02	108.02	108.02	194.25	122.57	97.23	105.98	100.73	105.98	108.02	108.02	194.25
Malaysia (56)	207.16	-1.3	164.33	179.13	170.22	215.30	-1.2	2.83	208.79	165.00	182.40	171.02	217.91	230.89	196.23	201.43	207.16	164.33	179.13	170.22	215.30	230.89	196.23	201.43
Mexico (13)	209.58	-0.9	164.33	179.13	170.22	215.30	-1.2	2.83	208.79	165.00	182.40	171.02	217.91	230.89	196.23	201.43	209.58	164.33	179.13	170.22	215.30	230.89	196.23	201.43
Netherlands (42)	130.91	-2.0	106.44	114.93	109.22	107.58	-1.3	5.27	135.59	106.84	117.89	108.78	109.35	149.03	130.43	129.46	130.91	106.44	114.93	109.22	107.58	149.03	130.43	129.46
New Zealand (17)	59.17	-5.1	48.94	51.17	49.82	50.87	-0.3	7.06	59.83	47.96	52.03	48.53	48.53	48.53	48.53	99.17	59.17	48.94	51.17	49.82	50.87	52.03	48.53	99.17
Norway (23)	284.81	-1.9	209.90	228.92	218.43	215.73	-1.4	1.56	289.61	212.21	234.00	219.99	221.75	276.79	279.24	284.81	284.81	209.90	228.92	218.43	215.73	276.79	279.24	284.81
Singapore (25)	160.38	-0.1	127.23	135.70	131.79	130.50	-0.4	3.20	160.38	126.27	219.39	130.67	130.67	130.67	130.67	194.25	160.38	127.23	135.70	131.79	130.50	130.67	130.67	194.25
South Africa (30)	164.70	-0.7	130.71	142.48	135.40	135.53	-0.6	4.18	165.19	129.32	143.33	134.86	134.86	134.86	134.86	194.25	164.70	130.71	142.48	135.40	135.53	134.86	134.86	194.25
Sweden (34)	135.65	-1.1	107.60	117.20	111.46	101.53	-0.8	5.41	137.18	107.89	116.28	111.83	102.10	182.26	132.84	163.19	135.65	107.60	117.20	111.46	101.53	116.28	111.83	102.10
Switzerland (56)	89.48	-2.8	70.87	77.38	73.52	73.21	-1.7	2.90	82.02	72.90	80.02	75.03	74.48	108.77	88.75	89.61	89.48	70.87	77.38	73.52	73.21	80.02	75.03	74.48
United Kingdom (361)	150.27	-2.5	118.18	128.41	121.55	121.55	-1.5	3.92	150.27	118.18	128.41	121.55	121.55	121.55	121.55	194.25	150.27	118.18	128.41	121.55	121.55	121.55	121.55	194.25
USA (534)	125.38	-1.8	98.68	108.84	103.24	125.63	-1.5	3.92	127.67	100.41	111.01	104.80	127.67	108.78	123.82	149.61	125.38	98.68	108.84	103.24	125.63	127.67	108.78	123.82
Australia (77)	128.50	-2.6	102.73	111.89	104.42	104.65	-1.8	4.44	132.04	104.56	115.68	108.36	108.40	187.65	129.50	130.41	128.50	102.73	111.89	104.42	104.65	108.36	108.40	187.65
Nordic (119)	128.50	-2.6	102.73	111.89	104.42	104.65	-1.8	4.44	132.04	104.56	115.68	108.36	108.40	187.65	129.50	130.41	128.50	102.73	111.89	104.42	104.65	108.36	108.40	187.65
Europe - Pacific (1653)	126.03	-1.3	97.84	106.44	101.15	106.69	-1.7	1.22	124.68	98.06	108.41	101.84	106.47	192.75	119.73	178.82	126.03	97.84	106.44	101.15	106.69	108.41	101.84	106.47
Europe - Pacific (1629)	126.03	-1.3	98.98	108.98	103.65	105.45	-1.8	2.57	126.38	100.97	111.61	104.65	106.37	174.18	128.03	158.39	126.03	98.98	108.98	103.65	105.45	108.41	101.84	106.47
North America (670)	126.62	-1.5	98.81	108.82	103.41	124.36	-1.5	3.91	127.75	100.49	111.09	104.18	126.49	148.43	124.33	140.96	126.62	98.81	108.82	103.41	124.36	127.75	100.49	111.09
Europe Ex UK (670)	116.11	-2.1	101.86	111.03	105.50	106.50	-1.9	3.85	116.11	101.86	111.03	105.50	106.50	106.50	106.50	194.25	116.11	101.86	111.03	105.50	106.50	106.50	106.50	194.25
World Ex US (1254)	126.78	-1.8	100.57	106.64	101.18	107.24	-1.7	2.62	129.04	101.49	112.20	108.11	108.11	173.77	126.78	158.08	126.78	100.57	106.64	101.18	107.24	129.04	101.49	112.20
World Ex UK (2054)	122.95	-1.5	97.54	106.33	101.04	112.29	-1.8	2.74	124.68	98.18	108.54	101.77	114.19	162.00	121.96	148.04	122.95	97.54	106.33	101.04	112.29	124.68	98.18	108.54
World Ex. So. Af. (2295)	125.14	-1.7	99.27	108.22	102.84	112.88	-1.7	4.08	127.32	101.44	110.71	103.80	104.81	161.84	125.14	150.77	125.14	99.27	108.22	102.84	112.88	127.32	101.44	110.71
World Ex. Japan (361)	128.08	-1.9	101.60	110.77	102.28	116.87	-1.6	3.20	130.53	102.66	113.20	104.82	113.74	181.89	137.88	197.87	128.08	101.60	110.77	102.28	116.87	130.53	102.66	113.20
The World Index (2856)	125.38	-1.7	98.46	108.42	103.03	113.05	-1.7	3.07	127.64	100.31	110.90	103.98	114.86	162.05	125.38	150.80	125.38	98.46	108.42	103.03	113.05	127.64	100.31	110.90
Copyright, The Financial Times Limited, Goldman, Sachs & Co. and County Natwest Securities Limited, 1987																								

1525000000

FINANCIAL TIMES SURVEY

DENMARK

Friday, September 21, 1990

□ Danish banks are favourably-placed for more business in Europe
— see page four.

□ Agricultural and food processing sectors face crucial export issues
— see page six.

SECTION III



Although the Danes have often appeared to be reluctant members of the European

Community, there has recently been a clear shift in public opinion. Here, Robert Taylor examines the reasons for this change.

Fresh thinking on the European Community

IT HAS taken a long time but this autumn it looks as though Denmark has come to terms with its membership of the European Community, which it joined 17 years ago.

So often the Danes have appeared to be reluctant continental Europeans, unwilling to take their EC responsibilities seriously. Now the national mood has changed.

"We still have close ties to the Nordic countries outside the EC, but Denmark is becoming much more like the Benelux," reflected a senior member of the country's centre-right coalition government.

The new attitude was on display at last week's meeting of EC finance ministers in Rome, where Denmark turned out to be one of the most enthusiastic supporters for a rapid move to economic and monetary union — "we want to be part of the high speed group inside the EC on this," says Mr Henning Dyremose, the Finance Minister.

The country's main opposition party, the Social Democrats, who have been lukewarm at best to the EC in the past, also decided recently at its party Congress to take a much more sympathetic view — "we are positive now, but not uncritical," says Mr Svend

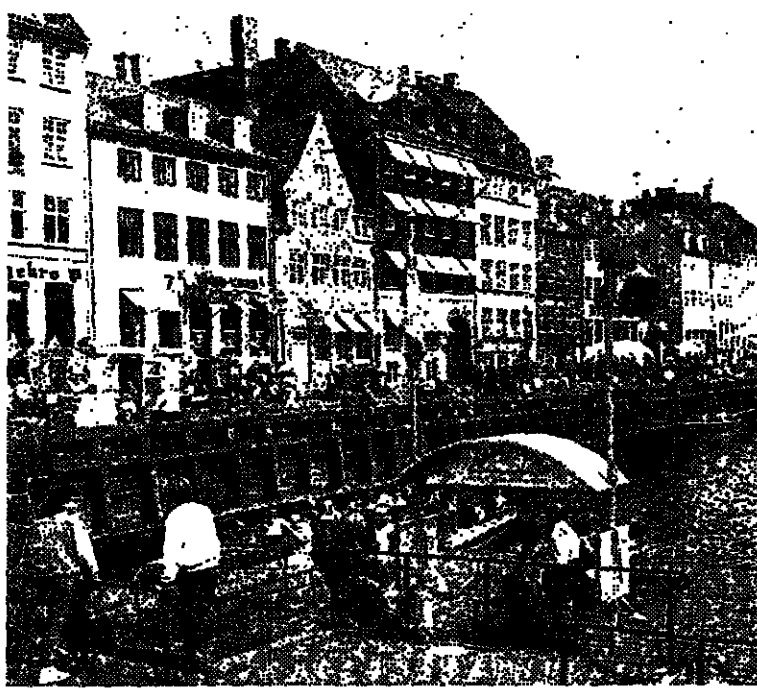
Auken, the party's leader, who was originally opposed to Danish EC membership.

He still talks about the "bloated bureaucracy" in Brussels and calls for more "democratic accountability" in the European Parliament as well as the need for a "broader Europe" bringing in the Nordic nations and the east. But the old left antagonism has almost gone.

Such enthusiasm reflects a clear change in Danish popular opinion. In June, a Gallup poll revealed 57 per cent of Danes would vote for Danish EC membership, if asked to do so in a referendum — and only a third said they would vote against.

The EC's own Eurobarometer opinion poll, published in July, recorded an increase from 9 per cent to 15 per cent of Danes who "frequently" thought of themselves not only as Danes but as Europeans, while a poll, carried out by the EC in April, found 68 per cent of Danes thought their country's EC membership had been advantageous to them while only 32 per cent took a negative view.

The dramatic events in neighbouring Germany since the fall of the Berlin wall last November have undoubtedly



Mr Svend Auken, left, leader of the Social Democrats, aspires to become Denmark's next Prime Minister. But Mr Poul Schlüter, right, leader of a three-party coalition and Prime Minister since 1982, believes the mood in his country is now moving in his ideological direction. Pictured centre: the Copenhagen waterfront.



helped to clarify Danish attitudes towards the EC.

"The prospect of a strong, successful Germany has changed our whole outlook," admits Economic Affairs Minister, Mr Niels Helveg Petersen.

With a eye on their own history — Denmark was occupied by the Nazis, 50 years ago last summer — the Danes agree fully with Hans Dietrich Genscher's view that there should be a European Germany and not a Germanic Europe.

The closer the integration of the EC, the less danger of any return to the destructive nationalisms of the past — so reason Danes across the political spectrum.

Mr Uffe Ellemann-Jensen, Denmark's combative foreign minister recalls the bitter fight in Denmark in 1986 in the referendum over the Single Member Act which the government won convincingly — "people have suddenly grown up," he declares.

"The young are the 'inter-rail generation' who are moving naturally around Europe."

The pro-EC feelings this autumn in Copenhagen do not signify an end to the debate over how the country should adjust to the challenge of the internal market after January 1, 1993, but fewer people regard the outlook as a "nightmare."

"Danish industry is better prepared for the 1992 challenge in those sectors mostly likely to be affected such as pharmaceuticals and medical equipment," points out Mr Søren Krohn, head of the European affairs department at the Federation of Danish Industries.

"Our economy is already one of the most open in Europe. We have few barriers to trade with 60 per cent of our manufactured goods exported."

In his view, the small-scale specialised companies in Denmark are stable and diverse enough to thrive in the EC's internal market.

There is even optimism to be found in government circles over the thorny, unresolved questions of indirect tax harmonisation and the removal of border controls between Den-

mark and Germany in the internal market although Mr Krohn does not share it.

Denmark would stand to lose Dkr40bn if it reduced its 22 per cent single rate value added, purchase and excise taxes to EC levels, a government study explained last year.

Mr Peterson takes a sanguine view of prospects. He points out that changes in excise duties in Denmark on goods like TV sets, washing machines, as well as petrol, has brought the country more into line with German rates and lessened the cross-border trade that took advantage of price differences.

In his opinion, the real trouble comes with the high duties Denmark charges on liquor and tobacco, the revenue loss from which in any harmonising with the EC average would cost the country as much as 1.5 per cent of its gross domestic product.

He believes, however, that the Danish authorities will be allowed to draw a distinction for tax raising purposes

between private individuals who must pay the duties and businesses which will be exempt.

Mr Krohn doubts if the EC will tolerate such a policy and argues that it could "erode Danish credibility" in future negotiations with the EC if the government attempts to go its own way on tax harmonisation.

"One of our dangers is that we could become a peripheral country but there is enormous political awareness of this now," says Mr Krohn. "Denmark has rejected economic isolation."

But the new Danish view of the EC will be put to the test in the forthcoming inter-governmental conferences on economic and monetary union and political union.

The signs are that the government is keen to demonstrate its enthusiasm for EC president Jacques Delors' vision. Certainly there is little sympathy for Mrs Thatcher's views on the EC nowadays in Denmark — "Britain looks a

bit pathetic," admitted one minister.

The new mood among the Danes has come as a welcome relief to Conservative Prime Minister Poul Schlüter, who has led a series of centre-right minority coalition governments since September 1982. He believes the mood in his country is finally moving in his ideological direction.

"The non-Socialist parties are now supported by two-thirds of the young," he argues. "Profit is no longer a dirty word."

In office but not in power for most of his eight years as Prime Minister, often facing a hostile Parliament, Mr Schlüter is acknowledged by friend and foe alike as an adroit politician who has overcome enormous difficulties in keeping his government together.

"There is an overall consensus in this country," argues Mr Peterson. "We look for solutions. We work together."

Many observers of Denmark in the 1980s might question such a view. On so many ques-

IN THIS SURVEY

■ Key facts and economic indicators.
■ Political profile: the Social Democrats.
■ Foreign policy: no longer a battleground.
.....Page 2

■ Economic prospects: a long, hard road ahead.
.....Page 3

■ Banking sector.
■ Anglo-Danish trade.
■ Business profile.
.....Page 4

■ Manufacturing industry: mergers abound.
■ Industrial successes.
■ Oil and natural gas.
.....Page 5

■ Agriculture and food industries.
■ Business case study.
■ Expansion in the tourism industry.
.....Page 6

Editorial production:
Michael Willschire.
Pictures by Alan Harper.

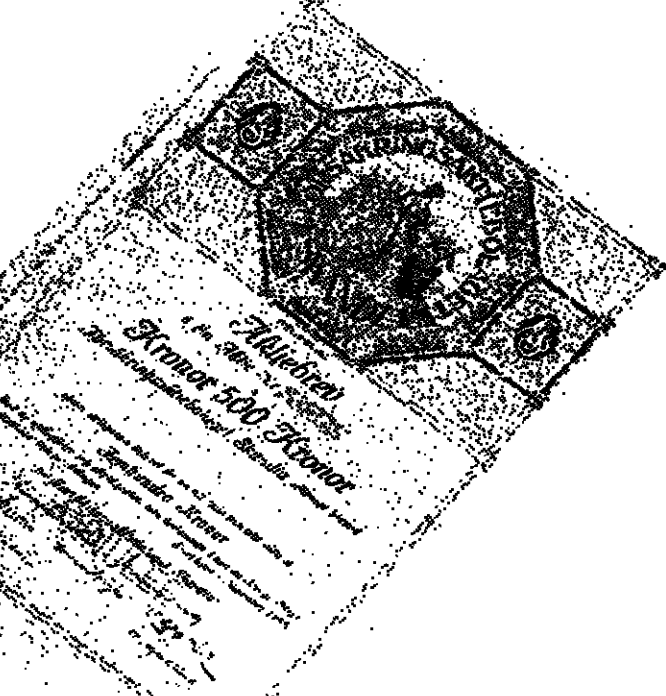
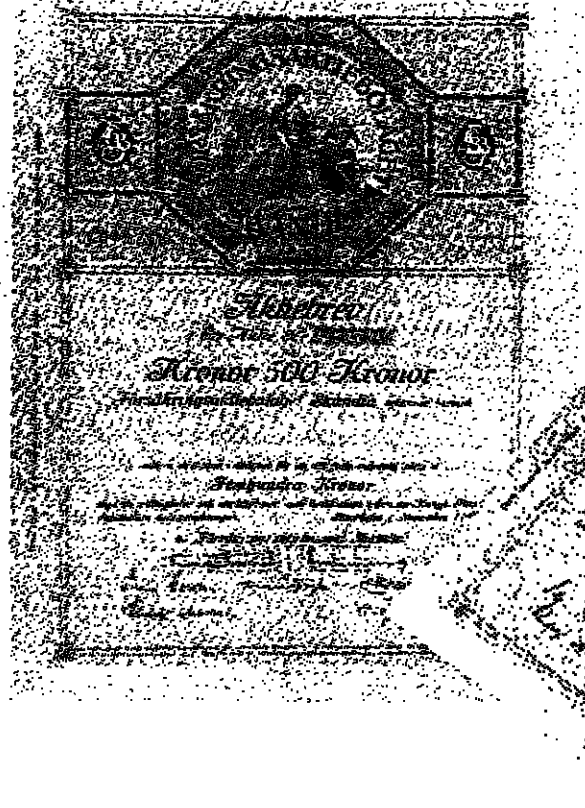
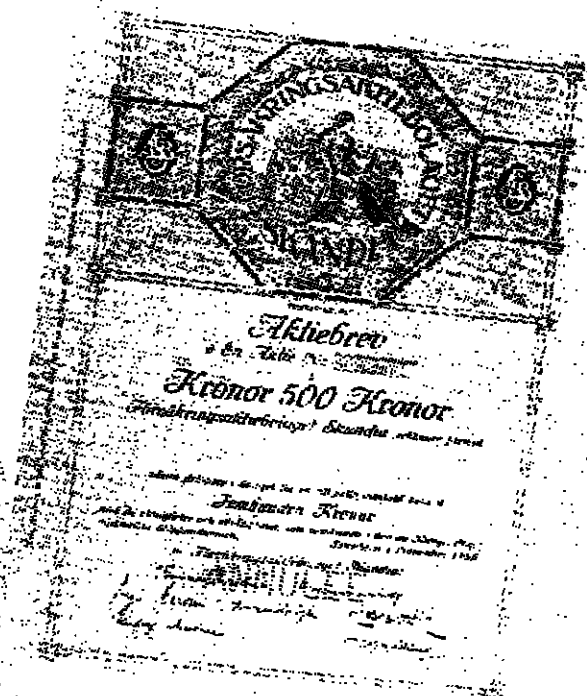
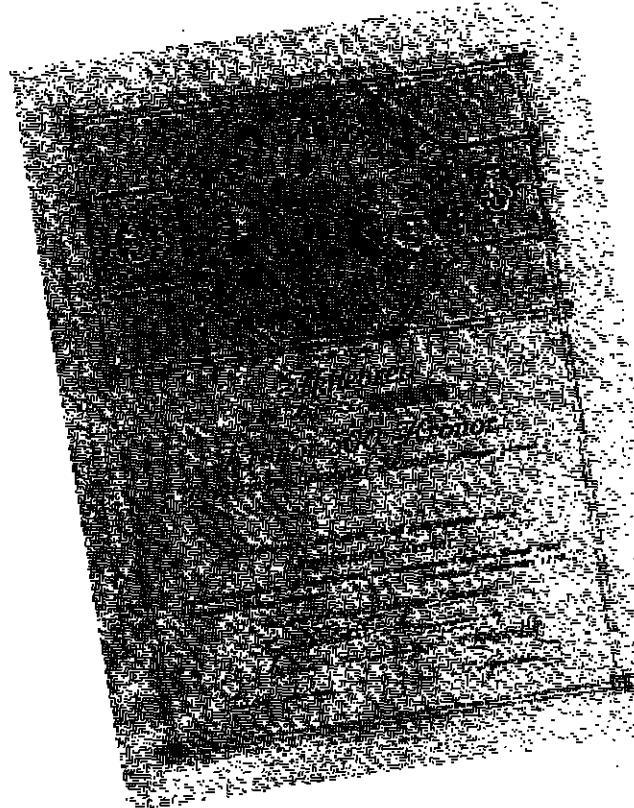
tions a fragmented Parliament has made for weak government.

It is now 15 months since Mr Schlüter launched what has become known as the 'Plan' designed to make the economy more dynamic and competitive through cuts in the public sector and tax reform, but so far it has come to little because of the inability of the main parties to agree on its final shape.

This autumn's cross-party discussions on the 1991 budget and the government's proposals for structural changes in the social security system will also test the willingness of the politicians to reach compromise deals that do not injure the fragile economy.

Mr Schlüter has recently warned he will call an early general election if he does not find solutions acceptable to him.

Denmark may be growing more like the Benelux countries in its outlook on Europe, but at home the old party game seems to have lost none of its negative vitality.



Skandia is the oldest listed company on the Stockholm Stock Exchange. We were there on the first day when the exchange opened on 4 February 1863.

Since then our operations have grown considerably and have become increasingly more international in nature.

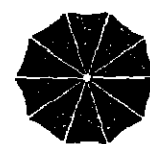
Being listed on the local stock exchange is one way in which the Skandia Group demonstrates its long-term commitment to a particular market.

That's why Skandia Group shares were listed on the Oslo Stock Exchange on 11 December 1989.

And why we applied to the Copenhagen Stock Exchange where we will be listed from 27 September this year.

And why — thanks to newly introduced European Community regulations — we intend to apply for listing on The International Stock Exchange in London in early October this year.

The Skandia Group is an international insurance and financial services group. We operate in most of the countries of the European Community as well as in the United States, South and Central America, the Far East, Australia and New Zealand. Group premium income in 1989, including the mutual insurance company Skandia Life in Sweden, totalled SEK 30,000 million and the Group's total assets exceeded SEK 175,000 million. For more information, contact the Skandia Group information Office on telephone +46 (0)8-7881100.



Skandia Group

S-103 50 STOCKHOLM

DENMARK 2

Changing attitudes among the Social Democrats

Model revisionists

THE SOCIAL Democrats, who remain Denmark's largest party, are model revisionists nowadays.

"We have always been pragmatic," declares 47-year-old Mr Svend Auken, who was elected party leader in October 1987 to replace the formidable Anker Jørgensen.

It is true the party abandoned its class-war rhetoric a long time ago, but now the party is going a step further and embracing regulated capitalism with undisguised enthusiasm.

"Yes to the Market Economy" proclaimed the front-page headline on the party's new journal, launched this month. Mr Auken has just written a new programme of principles for his party which will be debated by the membership before going to the 1992 Party Congress for its approval.

He wants to legitimise the party's existing *de facto* recognition of the market economy. Mr Auken believes the Social Democrats must drop their traditional hesitancy and defensiveness about market solutions, once and for all.

"We should say more bluntly than we have done before that the market mechanism is the best method to allocate most goods and services for consumers," he declares.

"Social Democracy should commit itself unambiguously to the market economy. But this does not mean turning the party into a champion of unfettered private enterprise."

"I became a Social Democrat when I was in the United States, as a student," says Mr Auken, who studied at Washington State University.

"I did not like the flawed system that I saw there with its social tensions, poverty and discrimination."

Mr Auken is a strong defender of what he calls the "welfare society." In this commitment he echoes a widespread popular support for social provision – a conservative crusade to roll back the welfare society would be defeated here," he claims.

"Our main problem is not that our public sector is too large but that our private sector is too small. He also believes the market mechanism should not dominate

areas like public transport, energy provision and environmental protection. But he rejects the suggestion that the Social Democrats favour centralised, bureaucratic solutions to political problems. Mr Auken is keen to deny Social Democracy is synonymous with state power.

"Our model is a social and environmentally-conscious market economy with a rich variation of co-operative structures between the private and public sector," he explains in his credo for the party faithful.

The new-look Social Demo-

(SF) over the past 11 years has weakened Social Democracy. At the 1988 general election, SF polled 13 per cent of the vote and won 24 seats.

Invariably, SF finds the Social Democrats are its natural ally in short-term parliamentary manoeuvres, but the closer the divided left work together the harder it is for the Social Democrats to make the effective overtures to the centre ground that they need in order to build a winning coalition. Indeed, ever since September 1982 when they left power the Social Democrats

sition Progress party who provide uncertain backing for Mr Schlüter's coalition.

But during the past eight years out of office, the Social Democrats have found themselves out-witted more than once by the adroit Mr Schlüter in the fine arts of the Danish political game.

The party has found it difficult to come to terms with Denmark's membership of the European Community. Back in 1973, when the country joined, Mr Auken was a vocal opponent of the EC and the issue has divided the Social Democrats until comparatively recently.

Confronted by widespread hostility in Parliament to the EC's creation of the internal market, Mr Schlüter called a national referendum in February 1986 on the Single Market Act which he won to the discomfort of Mr Auken who campaigned against Danish acceptance of the internal market.

Out of office after 1982, the Social Democrats helped to form an anti-NATO majority in Parliament alongside SF and the Radical Left party that opposed the NATO twin-track decision involving the deployment of Cruise and Pershing medium range nuclear missiles in Europe.

The party demanded a clarification of an existing understanding that NATO ships visiting Danish ports did not carry nuclear warheads on board, something Mr Schlüter's government regarded as unnecessary.

Again, the Social Democrats were out-finessed by the country's wily Prime Minister who called a general election in May 1988 and won endorsement for the government's pro-NATO stance.

That particular manoeuvre still angers Mr Auken who believes the controversy was distorted by the Prime Minister in an attempt to strengthen his weak parliamentary position. He points out indignantly that the Radical Left party that originally forced the NATO nuclear issue to the fore agreed to join Mr Schlüter's coalition as soon as the election was over.

However, such setbacks have undoubtedly helped to change Social Democratic foreign policy. Mr Auken remains

Experts in bridge building

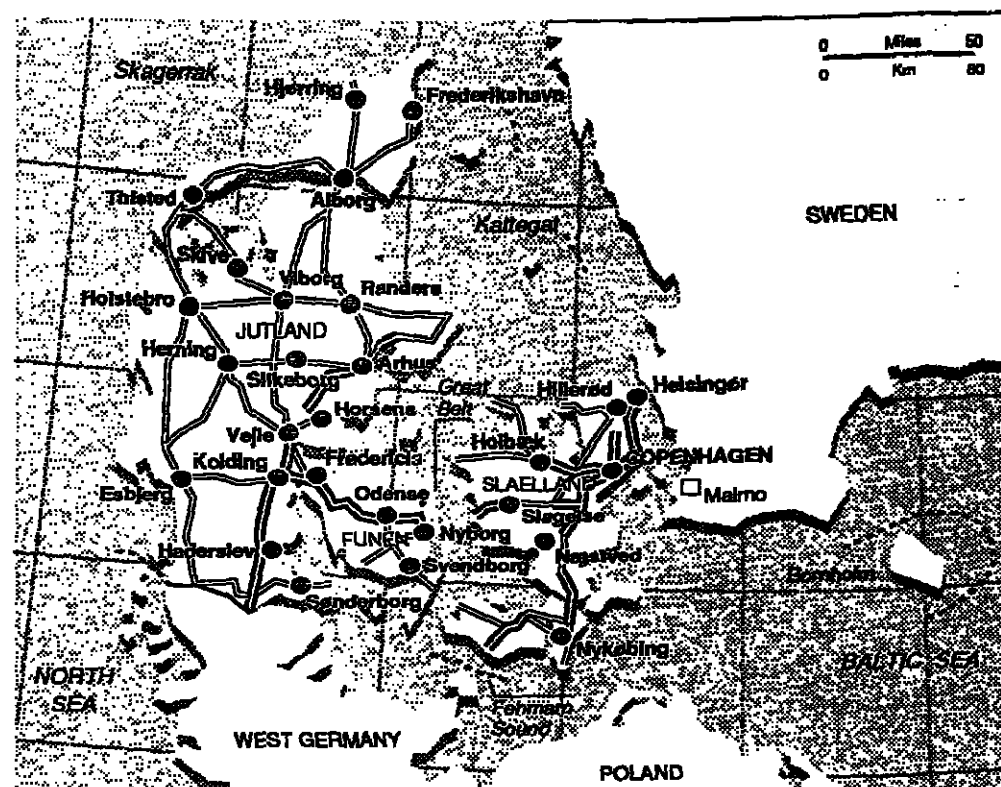
GEOGRAPHICALLY speaking, Denmark consists of the Jutland peninsula and a lot of islands, a fact which has turned the Danes into a nation of expert bridge-builders.

This expertise will be put to the test in the current decade, when three major bridge/tunnel links, amounting to perhaps the most ambitious transport infrastructure project in Europe, will be constructed – if the politicians in Denmark, Sweden and Germany are able to come to a decision.

The first of the three projects, the K150n road-and-rail, bridge-and-tunnel link across the Great Belt (the main shipping lane into the Baltic, which separates Sjælland from the island of Funen and the Jutland peninsula, which are already linked by bridges) is already under construction.

The rail link is due for completion in 1993, and the road link in 1996. The bridge is the state corporation, A/S Storebælt. The bridge will be financed by tolls, and A/S Storebælt has had no trouble raising capital for the project, which all the projections indicate makes sound economic sense.

Next in line is a permanent link across the Sound between Denmark and Sweden. Both the Danish and the Swedish governments favour a road-and-rail bridge between Malmö on the Swedish side and Copenhagen, but no final decisions have been taken.



and there is a strong environmentalist opinion in favour of a rail-only tunnel solution.

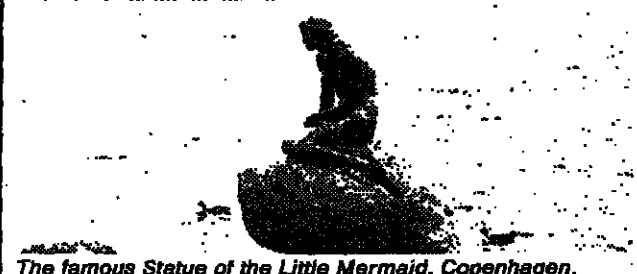
Assuming that a decision to construct a link across the Sound is taken within the next year or so, the final piece in the puzzle is a road or tunnel link between the southern Danish islands and Germany across the Fehmarn Sound.

With expedition on the part of the politicians, all three links could be completed by or shortly after the turn of the century, at a total cost which may not fall far short of \$10bn.

Hilary Barnes

KEY FACTS

Area	43,092 sq km
Population	5.13 million (1989)
Head of State	Queen Margrethe II
Currency	Krone = 100 ore
Average exchange rate	1988 \$1 = Dkr.73
	1989 \$1 = Dkr.731



The famous Statue of the Little Mermaid, Copenhagen.

DANISH ECONOMIC INDICATORS

	1988	1989
Total GDP (US\$bn)	107.6	104.5
Real GDP growth (%)	-0.2	1.1
GDP per capita (US\$)	20966	20370
Components of GDP (%)		
Private consumption	53.6	52.8
Gross fixed investment	17.9	18.1
Increase in stocks	-0.4	0.3
Government consumption	28.9	25.4
Exports	32.3	34.8
Imports	-29.3	-31.4
Current account balance (US\$bn)	-1.8	-1.4
Exports (US\$bn)	27.5	28.6
Imports (US\$bn)	25.6	26.2
Trade Balance (US\$bn)	1.9	2.4
Main trading partners (% of total value)		
West Germany	17.6	17.5
UK	11.7	12.2
Sweden	11.5	12.1
EC	49.2	50.4
Imports		
West Germany	23.2	22.2
Sweden	12.3	12.1
UK	7.1	6.9
EC	51.3	49.9
Net foreign debt (US\$bn)	44.0	40.3
Consumer prices (% change per annum)	4.6	4.8
Hourly wage rates (% change per annum)	6.5	3.9
Unemployment (% of labour force)	8.7	9.4
Total reserves, minus gold (US\$bn)	10.8	6.4
M1 growth rate (% p.a.)	11.5	5.3
M2 growth rate (% p.a.)	3.9	4.3
Discount Rate (% per annum)	7.0	7.0
Government Bond Yield (% per annum)	11.2	10.4
FTA Denmark Index (% change over the year)	66.5	36.3

Sources: IMF, Datastream, Economist Intelligence Unit.

ADVERTISEMENT

newsletter

REFURBISHMENT

Old houses as good as new

Urban renewal is given a high priority in Denmark, where many older buildings are being repaired to accommodate new generations. About 5,000 sub-standard dwellings are renovated in Denmark each year. In 1990, state support for this urban renewal campaign will total up to DKK 2,000 million.

The popularity of the concept of urban renewal is relatively recent in Denmark. In the 1970s, old buildings were demolished to make way for new. Today, much greater emphasis is given to preserving and renovating old housing stock, to bring its standard up to that of new dwellings.

If existing buildings are renovated, their value is improved and attractive areas surrounding city centres preserve their special atmosphere. In some instances, it has been necessary to demolish a few buildings as part of a redevelopment scheme, to provide more light and space. However, such clearance adds to the value and residential quality of the buildings that remain.

Experiments
The Urban Renewal Act of 1983 provides a framework for the renewal of outdated dwellings and urban areas, through their equipment with modern sanitary installations, heating systems etc. Their housing value can be further improved by the fitting of new windows and better insulation.
To simplify this process, many new products have been developed – such as insulation methods and factory-made windows in the dimensions used in the past. This renewal process, involving as it does the continued use of the existing housing stock, also fits in well with the increasing public demand for more efficient use of resources.
The state supports experiments in this field.

its buildings have usually been built at about the same time and at a similar standard. Thus, it is now less usual for buildings to be improved singly. Instead, an entire district is zoned for improvement, with the local authority approving a comprehensive plan which includes total internal and external repair and the creation of open spaces.

Tasks for the future
The Slum Clearance Act was replaced in 1983 by the



Among the new products which have been developed for urban renewal is the internationally famous Velux window system, which makes possible the exploitation of attic space.

Although some 60,000 slum dwellings were demolished or modernised in Denmark between 1939 and 1986, the country still has about 300,000 sub-standard dwellings. They usually lack a bathroom or toilet, central heating and hot water. Many of them are too densely constructed and lack proper light and air circulation. The government has estimated that the total investment required to bring the housing stock up to modern standards is about DKK 100,000 million. State funds are inadequate to cope with the total problem so, when funds are being allocated, priority is given to those municipalities with the biggest urban renewal problems.

DENMARK IN BRITAIN, an export campaign supported by the Danish Export Promotion Council, was established to present a range of

DENMARK IN BRITAIN
Danish goods to British consumers. Even though the trade links between the United Kingdom and Denmark are strong and centuries old, there are still many Danish manufacturers whose products are not particularly well known on the British market. This newsletter describes a sector in which Danish industry has gained special experience of interest also to the United Kingdom.

Contact Points

Ministry of Housing and Building
International Relations
40 H.C. Andersen Boulevard
DK-1553 Copenhagen V
Tel. +45 33 32 61 00
Telex: +45 33 32 34 71
Royal Danish Embassy
Commercial Section
55 Soane Street
London SW1X 9SR
Tel. 071 235 12 55
Telex: 071 333 0243

Foreign policy

No longer a battleground

MR UFFE Ellemann-Jensen, Denmark's robust 49-year-old pipe-smoking Foreign Minister for the past eight years and Liberal Party leader since 1984, is in a ebullient mood. The dramatic flow of events in Europe have been moving his way since the opening of the Berlin Wall last 9 November.

"The Danes are finally coming out of their cosy corner where they kept their noses down, believing the rest of the world could take care of them and itself," he asserts. "We used to prefer others to take the risks on our behalf. But now all that has changed."

A few weeks ago the Danish Parliament agreed by a large majority to dispatch one of the country's two corvettes to join other nation's fleet in the Persian Gulf – "such a decision would have been impossible only a few months ago," claims Mr Ellemann-Jensen.

Decision-making
A staunch European, who won the Robert Schuman Prize three years ago for his contribution to European unity and co-operation, he is also pleased at what he sees as the new-found enthusiasm of most Danes, especially among the young, for the European Community.

"It is now possible to discuss economic and monetary union in this country without being booed," he says. "We are ready to play an active part in EC decision-making."

The change of popular attitude towards the EC was perceptible back to the February 1986 referendum over the Single Market Act when 62.2 per cent of Danes voting supported the move and 43.8 per cent voted against.

But the prospect of Germany's unification has undoubtedly accelerated the process of Danish popular convergence to the rest of the EC. Ever-conscious of their troubled history with their giant neighbour to the south, the Danes are strong believers in Mr Hans Dietrich Genscher's concept of a European Germany, not a Germanic Europe.

"Even the left intelligentsia has shifted significantly in their attitude to the EC," says Mr Ellemann-Jensen. The old hostility is fast disappearing from Danish public life after eighteen years of suspicion and distrust.
Like Mrs Thatcher, he is crit-

ical of the lack of response by Europe as a whole to the Gulf crisis – "there is a clear threat to European security involved in this," he says. "It is very unsatisfactory to Europeans that the United States has to come to our rescue. We need to get our act together." Mr Ellemann-Jensen believes the NATO charter will have to be rewritten to enable the organisation to operate outside Europe in defence of the continent's influence.

But Denmark's Foreign Minister shares none of Mrs Thatcher's doubts and scorn for closer EC integration. He talks enthusiastically about the creation of a European Federal Bank and his country looks unlikely to line up with Britain in any last ditch resistance to the movement towards economic and monetary union.

Nor does Mr Ellemann-Jensen worry over the prospect of discussions about EC political union. He favours a "strengthening" of the EPC (European Political Co-operation) structure inside the EC with a stronger secretariat and an easier process for the exchange of views on foreign policy to help in creating a common EC position.

His staunch support for NATO too has grown much

Continued on facing page

Offices in Copenhagen. Within a short distance from the airport.

The perfect opportunity for a Scandinavian branch office, or for expansion into the new Europe.

Bredager Torv is an exclusive office building, situated within attractive surroundings. It is located just a few minutes from Copenhagen Airport and only 10 minutes from the centre of Copenhagen. Leases can be arranged for 50 m² up to 1,200 m² – according to your needs. Each leasehold will be furnished with a kitchen, office building offers a restaurant of international standard.

Call 01045 42 81 21 77 and ask for Jens Puggaard if you wish to obtain further details – or to discuss your alternative property requirements in Copenhagen.

NIELS THYGESEN & CO A/S
ENGINEERS AND CONTRACTORS

Bistruphase 3, DK-3460 Birkerød, Denmark. Tel. 01045 42 81 21 77

DENMARK 3

ECONOMIC PROSPECTS

A long, hard road ahead

DENMARK'S economy still has a long hard road to travel if Mr Schluter's government intends to fulfil its declared objective of eliminating the country's enormous current account deficit by the end of 1992.

The outcome will depend on how successful the government proves to be in carrying through its budget proposals for 1991 and long overdue structural reforms designed to make the economy more productive and competitive.

This autumn's inter-party discussions, which begin in earnest on 2 October when Parliament re-assembles after its summer holidays, are therefore crucial.

Mr Henning Dyremose, the Finance Minister since the end of last October, is determined to push ahead with what needs to be done but with no stable majority for the government in parliament it will be hard to establish a necessary broad consensus.

"Our politics is the politics of the impossible," he admits. "We have to realise as a minority government that we alone cannot take all the measures we believe to be necessary."

But the chances of reaching broad agreement on a credible programme for economic recovery are not rated very highly at the moment.

Not for the first time, the fragmentary nature of Danish politics makes it hard for the government to take decisive action, particularly when it has to deal with a Parliament whose members like to spend taxpayer's money rather than

cut cherished programmes.

The Prime Minister wants to force the political parties and the voters to recognise the old ways are no longer permissible if Danes are serious about rectifying their serious underlying economic problems.

Mr Schluter threatened ten days ago that he would call a general election if the forthcoming negotiations between the parties failed to strike a deal on next year's budget proposals and parliament voted for any further increases in public spending.

"I am simply not going to take responsibility for a financial policy which includes greater expenditure than we had last year," he declared.

"After many years we have managed to gain control over state spending and we must not lose our grip again."

The Ministry of Finance has fixed a target of DKr235.2bn as the upper limit on total ministerial expenditure, which remains unchanged from this year's figure after adjustments for price and wage increases.

This will mean an actual reduction of DKr7.7bn in spending plans.

Mr Dyremose hopes these net savings can be achieved from improved efficiency, reductions in subsidies and

changes in the transfer payments system. There is widespread recognition across Denmark's political divide that the country's economy remains in crisis even if partisan differences continue to make it hard for the parties to find a consensus.

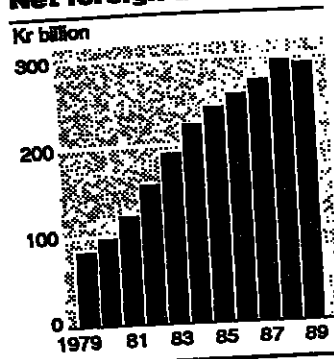
The Ministry of Finance is forecasting a deficit of DKr16.1bn for 1991, equivalent to 1.9 per cent of the country's gross domestic product but this seems likely to be an under-estimate in the light of the Gulf crisis.

The accumulated debt is a millstone round the country's neck, a crippling reminder of its prodigal days before the onset of the more austere 1980's when expansionary demand management with a devalued krone and endless increases in public expenditure for the welfare system went virtually unquestioned.

Denmark has been having to pay a heavy price for its laid back attitudes of the past and as the Organisation for Economic Co-operation and Development explained in its report this summer on the economy - "much still remains to be done."

The government estimates that interest payments on its

Net foreign debt



debt for 1991 will amount to DKr56.9bn, as much as 18.4 per cent of total expenditure.

Denmark's foreign debt burden fell in 1989 for the first time in twenty years to DKr296bn, but this still amounted to as much as 36 per cent of the country's gross domestic product.

There have been some welcome signs of improvement in the Danish economy over the past 12 months. The country's balance of payments deficit last year amounted to DKr10.2bn (5.23 per cent of gross domestic product) but this compared with a figure of DKr36bn four years earlier.

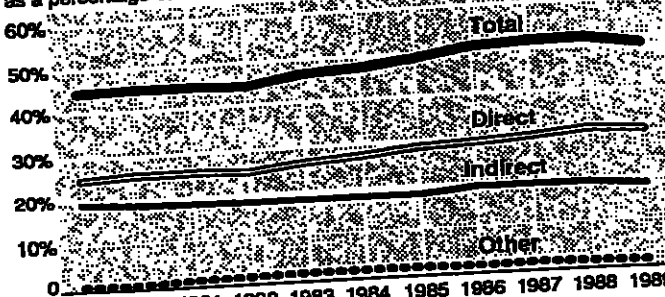
In fact, the balance of payments deficit is now running at its lowest level for 15 years.

The Danish annual rate of inflation is running at 2.6 per cent, one of the lowest in the western industrialised economies. Price stability has been helped by a 7 per cent appreciation of the krone this year though this is starting to hurt the export drive.

The level of wage rises is also low at between 3 to 3.5 per cent while real disposable

Taxation

as a percentage of GDP



incomes are up by 1.5 per cent.

The country continued to enjoy a trade surplus in the second quarter of 1990 to DKr4.03bn compared with DKr1.48bn for the same period of last year, but there are now clear signs of an underlying deterioration even if the Ministry of Finance takes comfort from an improvement in the readiness of Danes to save.

Next year's budget will devote an estimated DKr23.1bn to unemployment benefit.

Mr Schluter is determined to try and make some progress this autumn on confronting what the OECD survey has called "the malfunctioning of the labour market," which "is at the core of the macro-economic imbalances of the economy."

The chances of reaching broad agreement on a credible programme for economic recovery are not rated very highly at the moment, says ROBERT TAYLOR

But Mr Dyremose and his colleagues are worried at the decline in government finances which became evident in the first half of the year with a fall in the size of projected revenues to meet expenditure needs.

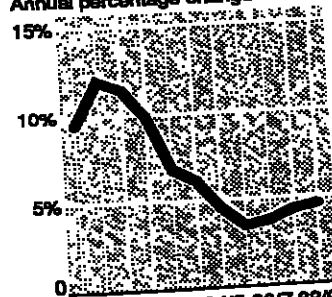
The registered level of unemployment is rising again. The latest figures show an increase to 9.5 per cent or 267,300 people, which is the highest total since September 1984.

It looks like being a thankless task. Most economists in Denmark have reached the depressing conclusion that "stable inflation - in terms of prices or wages - would seem to be compatible with an unemployment rate of around 8 to 9 per cent."

By western European standards, this is a disturbingly high level of joblessness in the labour market to act as a disciplinary force on wage bargaining.

Consumer prices

Annual percentage change



The trouble is that Danish workers - unlike their Nordic counterparts - lack job-security but also enjoy a replacement ratio (the ratio of benefits to wages) that remains remarkably generous.

The system reflects the small enterprise character of the economy and the seasonal nature of the country's fisheries, agriculture and construction industries.

An employer only has to meet the first day of absence from work for an employee who can expect earnings related benefits up to a maximum of DKr125,000 a year which will go on being paid almost indefinitely.

But this can be obtained after only 12 months of contributions to an unemployment insurance fund, two-thirds of which comes from central government.

This passive rather than active labour market strategy goes a long way to explain Denmark's high registered joblessness with an estimated 4.34 per cent of the country's gross domestic product going into income maintenance for the

unemployed and a mere 1.4 per cent on training and other programmes for them.

The government would like to reform the system by making employers and unions shoulder more of the burdens but the Social Democrats are keener on introducing some degree of employment security for workers which they lack at present.

Mr Dyremose hopes that agreement can be reached that will link benefit to training and job security.

However, others believe that a time of rising unemployment is not the best moment for any radical restructuring of the system.

The government also continues to pin its hopes on economic recovery through tax reforms. However, it is now sixteen months ago since Mr Schluter introduced what was called "The Plan," designed to make Denmark more competitive through a cut in the highest rate of income tax from its present 68 per cent to an eventual 52 per cent and a drop in the lowest band from 48 to 44 per cent over a four year timespan.

So far, there has been no progress on reaching broad agreement on such proposals, although the government did manage to cut the corporate tax rate from 50 to 40 per cent in its last budget and abolish tax-exempt allocations to investment reserve funds.

The trouble lies, as Mr Dyremose admits, in how to meet the revenue shortfall from a broadening of the tax base.

Ideally, his government would like to ease the overall tax burden in Denmark but in current political circumstances this looks a non-starter.

What no Dane can deny is that the present coalition has followed a consistently tight fiscal policy since it came to power in 1982. Its refusal to devalue and adherence of the krone to the European Monetary system and the D-Mark, has provided a degree of internal discipline which was missing in the past.

Foreign policy in sharper focus

Continued from previous page: more confident since Denmark's May 1988 general election over the issue on whether or not visiting NATO vessels to Danish ports should declare if they were carrying nuclear devices on board.

The anti-NATO forces failed to make much headway on that occasion and the Radical Left Party that had raised the issue then agreed to join Mr Schluter's coalition.

During his first five and a half years as Foreign Minister, Mr Ullmann-Jensen found himself in the invidious position of opposing the foreign policy imposed on the government by a left-leaning Parliament - "foreign policy used to be a battleground, but not any more," he says. "It has been a long fight. Our internal problems over foreign affairs dominated the Danish political scene. Now the world has changed for the better."

A former journalist, who once edited the country's leading business newspaper Borsen, he has established a high profile in his years in office and brought a sharper focus to

Danish foreign policy, which is much less a source of amusement to its NATO allies than it used to be.

He can often be undiplomatic in the way he expresses his strongly-held opinions. Earlier this year he upset the non-EC Nordic countries -

tries will be inside the EC by the end of the 1990s.

He is in no doubt that such an outcome would give the Nordic region a powerful and unified force inside the EC, whose centre of gravity has moved southwards during the 1980's. As he likes to point out, the Nordic countries together would make up the largest single voting block inside the EC.

"I have been in office, but not in power since September 1982," says Mr Ullmann-Jensen. When he arrived at the department, he doubted whether he would last to the end of the year so that his official ministerial photograph would at least show he had served into 1983. Instead, he is one of the longest-serving Danish foreign ministers.

Still relatively young, Mr Ullmann-Jensen is a man to watch in the politics of the new Europe. His future may remain in Danish politics, perhaps as Mr Schluter's eventual successor. But, alternatively, the wider European scene beckons.

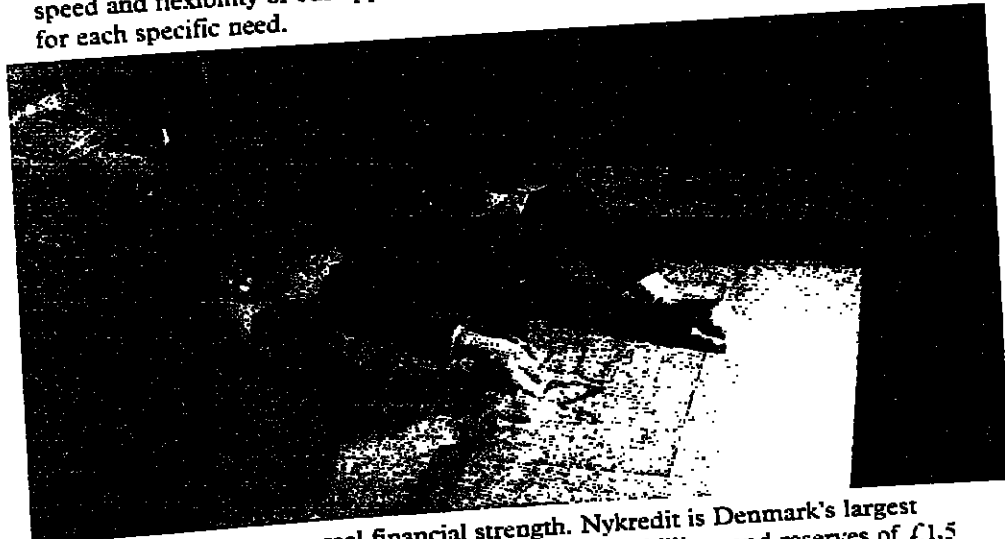
Robert Taylor

Denmark's Foreign Minister has predicted that all the Nordic countries will be inside the EC by the end of the 1990s

especially Sweden - by casting doubts over their hopes through negotiating through the European Free Trade Association with the EC on the creation of a European Economic Area. He argued they could not expect to exercise any direct part in EC decision-making through such a device and ought to recognise their long-term interests lay in EC full membership. In fact, Mr Ullmann-Jensen has made a bet that all the Nordic coun-

Commercial Mortgages - Our Speciality

Because we concentrate on commercial mortgages at Nykredit, we understand the needs of a business far better than most. We pride ourselves on both the speed and flexibility of our approach. And our ability to create a mortgage package for each specific need.



You can also count on real financial strength. Nykredit is Denmark's largest mortgage institution, with assets of more than £27 billion, and reserves of £1.5 billion. So, if you're looking for a commercial mortgage, talk to us soon. We're on your side.

Nykredit

Copenhagen:
Nykredit
phone: 33 91 01 49

Frankfurt:
Frankfurter Bodenkreditbank AG
phone: (069) 75 77-1

London:
Nykredit Mortgage Bank plc
phone: 071-499 4191

We make market in DKK securities for many of the world's major institutional investors.

BRANCOR

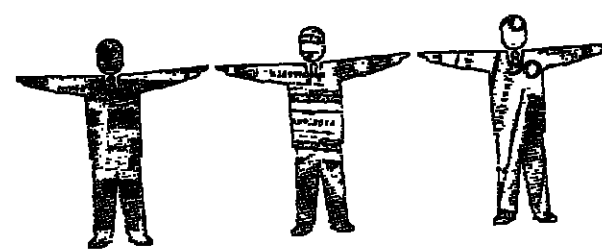
5, Dronningens Tvægade, DK-1302 Copenhagen K
Telephone: +45 33 93 61 00, Telefax +45 33 93 61 16
Reuters: BRAN/BRAO



Extended business reach

That's what you get as a result of our recent merger. Den Danske Bank has joined forces with two of Denmark's other leading financial institutions - Copenhagen HandelsBank and Provinsbanken. Together, we're a strong new bank in northern Europe. That places us in a unique position to meet your commercial banking needs in Europe. And, with offices in key financial centers worldwide, we can offer you competitive service just about anywhere else.

Den Danske Bank was established on April 5, 1990 as a result of the merger of Den Danske Bank of 1871, Copenhagen HandelsBank and Provinsbanken.



A strong new bank in northern Europe



DEN DANSKE BANK

Head Office: Copenhagen. Branches and offices in London, Frankfurt, Hamburg, Luxembourg, Brussels, Nice, Fuengirola, Madrid, Stockholm, New York, Los Angeles, Singapore, Hong Kong and Tokyo.

DENMARK 4

In European terms, Danish banks are favourably placed, says Hilary Barnes

Banks reduce branches in streamlining move

DENMARK, the OECD has reported, is over-banked, with too many people employed in too many branches in a great many banks for such a small country - about 70 commercial banks and 140 savings banks.

Danish bankers can find half a dozen reasons for doubting the correctness of the OECD's conclusion, but in their heart of hearts they are aware that the proliferation of banks in the high streets speaks for itself. And the banks are beginning to act accordingly, spurred on by the two major mergers which took place with effect from January 1, which brought together the six largest banks.

The old Den Danske Bank merged with Copenhagen Handelsbank and Provinsbanken to become one of the largest banks in Scandinavia with a balance sheet total of about Dkr350bn.

Privatbanken, SDS and Andelsbanken merged to form the Unibank group under a holding company, Unidanmark.

Until the merger, no single bank felt that it could start closing branches - "it would have been suicidal," said Mr Knud Soerensen, chief executive of Danske Bank.

"Now we can reduce the number of branches without abandoning our customers and losing business."

Both big banks have plans to close about 20 per cent of their branches. Staffing require-

ments, however, will not be reduced so fast - by around 10 per cent over two to three years, they say.

But if this rate of staff cuts is kept up over a period of a few more years, the banking sector will indeed have been slimmed down considerably. The layman may have reason to think that fewer, bigger banks will mean less competition, and hence less favourable conditions for customers, but the bankers do not accept this reading of the situation.

Firstly, they say that international competition will keep them on their toes.

Secondly, they point out that there are still a lot of smaller banks around "and they are yapping at our heels," says Mr Sten Rasborg, who, besides being chief executive of Unibank, is chairman of the Bankers' Association (as the Bankers' Association became when the commercial banks and savings banks sank their differences and formed one association, earlier this year).

In the first half year after the mergers, the smaller banks, the third and fourth ranking Blikuben and Jyske Bank and the many provincial banks, performed considerably

better than the two new big banks, which both made substantial and rather unexpected increases in their loss provisions and made only modest profits.

The reason for the large provisions, common to both banks, was the generally difficult economic situation.

But, somewhat surprisingly in view of the activities on the Bank Inspectorate, which has taken a lively interest in provisions policy since several banks went bust in the mid-1980s, there turned out to be significant differences in the provisions policy of the three banks in the Danske Bank group.

The old Danske Bank took a more conservative view, and when this was applied to Handelsbank and Provinsbank, the group's total provisions rose substantially.

□ The European dimension In European terms, the Danish banks are favourably placed, especially now that the two mergers have made the big banks visible on the European map.

The main advantage which the Danish banks have, however, has arisen because the

capital ratio requirements under the Danish regulations have always been much tougher than in any other European country.

Now, with the implementation of the Cooke Committee guidelines, the Danish banks find themselves over-capitalised.

This means that they have ample room to expand business for the next four or five years without having to go to the market for new capital, says Mr Rasborg.

□ Financial conglomerates The same cannot be said of the bond-issuing mortgage credit associations, which play a prominent role in the Danish financial scene: the two largest, Kreditforening Danmark and Nykredit, both have total assets of over Dkr300bn. They need new capital to meet the EC's capitalisation requirements.

Unfortunately, they have sustained heavy (realised) losses as a result of the difficult economic conditions since 1986, which has made their position even more difficult.

The politicians seem to have decided to compound the problems.

The Government has asked the Financial Services Inspectorate to consider whether the associations should have to make provisions against possible losses, in line with the banks, and not only, as now, for realised losses.

If the Inspectorate asks them to apply the same criteria as the banks, their provisions would soar by billions of kroner. The associations are pregnant with plans to become joint stock companies, with a holding structure, which would enable them to issue shares.

But legal problems have arisen over the question of how much of their reserves they can define as equity capital and how much belongs to the borrowers.

These problems are also holding up plans to form financial conglomerates incorporating banks, insurance companies and mortgage credit institutions within a single group, under a holding company.

However, Unibank, Tryg, the mutual insurance group, and Nykredit have already formed an alliance, with the intention at a later date of becoming a group. Others are expected to follow this lead, once the game of choosing partners has been sorted out.

These conglomerates will be monsters, with total assets of well over Dkr600bn, which will, once again, contribute to the visibility of the Danish financial institutions on the European scene.

Boost for Anglo-Danish trade

Campaign offers far more than bacon and butter

THE publication of this survey coincides with the concluding events in a major Danish trade promotion, "Denmark in Britain," which was launched 18 months ago.

One of the objects of the campaign was to persuade the British business community that Denmark has a lot more to offer than bacon and butter. More than 50 activities have been arranged, most of them on a narrow front, such as promotions for rehabilitation equipment or building materials.

"The campaign has definitely had an impact and we shall see results," says Mr Poul Essemann, trade counsellor at the Danish Embassy in London. Ironically, however (and the trade campaign can in no way be held responsible), 1990 is proving to be a somewhat disappointing year for Danish exports to the UK; in kroner terms, they have increased by less than one per cent so far, while it is one of the best years for British exports to Denmark for a long time, with exports, in sterling terms, up by 20 per cent. The figures reflect in part, in the case of both countries, exchange rate fluctuations.

"It is important for Danish exporters that the UK should join the ERM, as this would stabilise the exchange rate relationship," said Mr Essemann.

Mr Peter Longworth, the energetic and ebullient commercial counsellor at the British Embassy in Copenhagen, is delighted with progress this year.

"At last we've broken the seven per cent barrier," he says, meaning that for the first time for many years the UK share of Danish imports has risen above seven per cent - to 7.7 per cent. He believes that this is owing to the persistent and strenuous efforts of colleagues over a long period to build up contacts between

Danish and British businessmen. "We've managed to get across the message that the British image has changed and we are a contemporary and relevant business partner, and we've worked hard to develop contacts not only in Copenhagen but in Jutland; the manufacturing heartland of Denmark," he said, speaking while on yet another trip to Herring, the centre of the Danish clothing and textile industry in Jutland. He is happy to report that the embassy is now getting an average of 140 enquiries a month from British companies, 20 per cent higher than when he arrived in 1987.

Hilary Barnes

Production company profile: Aarhus Olie

Rapid overseas expansion

AARHUS OLIE, the vegetable oils and food ingredients company, is a business which grew up with Danish agriculture, but has now outgrown its base in the Jutland city of Aarhus.

With a turnover of about Dkr2.2bn and about 850 employees in Denmark and some 2,500 worldwide, it has production facilities in Britain, the US, Sri Lanka and Malaysia, as well as Denmark. Its international growth has been especially fast in the past couple of years, when it has acquired the speciality oil production facilities of Procter & Gamble in Britain, set up a large production plant in the USA, and begun production of dehydrated coconut in Sri Lanka.

The company's production is based on the refining and processing of oils and fats from vegetable and palm oils. It has a long-standing co-operation with the Danish-based United Plantations group, which has extensive plantations in Malaysia and Australia.

In the oils business, Aarhus Olie is especially well-known for the production of cocoa butter equivalents and cocoa butter substitutes, supplying most of the world's large chocolate producers.

The products improve the stability of chocolate, so that, for example, it does not melt so easily in hot climates or develop a "bloom" too quickly after leaving the factory. The company has recently begun production of cocoa butter substitutes at a new \$15m plant in Newark, New Jersey, with capacity to produce 60,000 tonnes of oil products a year.

The plant was sited on the US East Coast in order to be close to the biggest of their American chocolate goods manufacturers. Proximity to the producers is a condition of success in the US market, as producers do not want to be dependent on products which have to be shipped across the Atlantic.

Nearness to the market also helps the group to work closely together with the producers to identify their needs and refine products which are tailor-made for a particular purpose. This approach to working with the customers is regarded by Aarhus Olie as one of its special strengths.

In Sri Lanka, Aarhus Olie has gone into co-operation with

the Sri Lankan government to develop a substantial production of dehydrated coconut. The project, Serendip Coconut Production, is controlled through Ceylon Trading, a subsidiary of Aarhus Olie.

When Serendip reaches full capacity, it will treat 280,000 coconuts a day and produce about 8,000 tonnes a year, enough to supply between six and 10 per cent of the world market for dehydrated coconut, says Aarhus Olie. This will make it by far the largest producer of dehydrated coconut in Sri Lanka, a fact which caused a certain amount of labour unrest at some of the other plants, where workers feared for their jobs.

The group's production company in the UK is Anglia Oils, which refines palm oils at its own plant in Hull, which went into production in 1984. When it took over the vegetable oil refining units of Procter & Gamble in 1988, it became a major supplier of oils to the British bakery industry, in which the products are used for, among other things, to keep products crisp, and to assist in giving cakes, biscuits and pastries a satisfactory structure and longer shelf life.

Over the past year, the group has developed a new product for which managing director Jorgen Handberg believes there is a very large prospective market. This is a vegetable oil product which can be used for cleaning printing presses instead of the mineral oil-based solvents which are normally used.

The solvents are thought by scientists in Scandinavia to cause serious health problems for workers exposed to them for long periods, such as loss of memory, headaches and loss of orientation. The findings remain controversial, but in other countries in Europe there is now a growing awareness of the possible hazards of working with solvents. Unions are seeking the use of alternative cleaning materials.

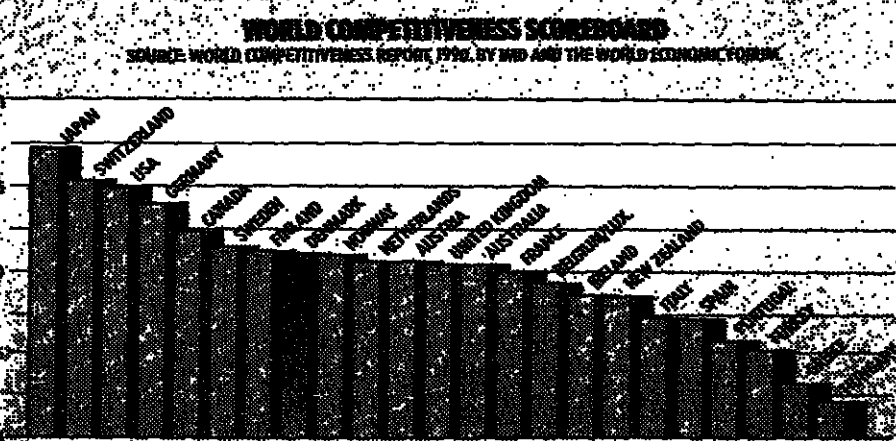
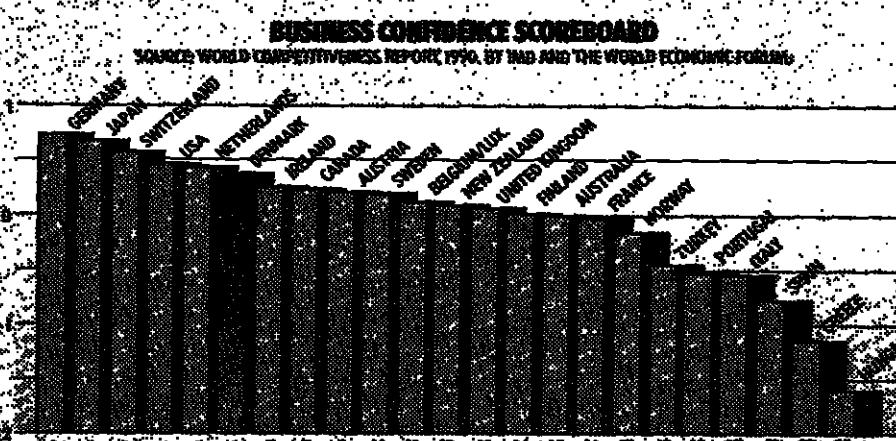
Since 1988, turnover by Aarhus Olie has increased from Dkr1.5bn to Dkr2.2bn. Fluctuating raw material prices mean that the group's profits also fluctuate, peaking at Dkr165m after tax in 1988 and falling to Dkr85m in 1989, a rate of return on capital of 21 and 14 per cent, respectively.

Hilary Barnes

DIRECT INVESTMENT

WHAT BUSINESSMEN THINK ABOUT DENMARK

Corporate executives have just given Denmark a strong vote of confidence, as these graphs from The World Competitiveness Report 1990 make clear. Words are also being matched by deeds: direct foreign investment in Denmark has grown steadily in recent years.



A sharp increase in business confidence and competitiveness.



Denmark provides access to the EC, Scandinavia and Eastern Europe.

countries. There are also strong commercial links between Denmark and the new market economies of Eastern Europe, including the Baltic lands.

Foreign-owned companies established in Denmark can take advantage of these ties thanks to a well-developed infrastructure geared to international distribution. Indeed, some 2,000 foreign firms are doing so right now, and the pace of direct foreign investment has increased markedly in recent years.

Businessmen are thinking about Denmark and perhaps you should, too. For more information please call the numbers shown below.



Foreign investment in Denmark continues to grow



Royal Danish Ministry of Foreign Affairs

Business opinion about
Denmark is changing. In 1990, the nation jumped from 12th to 6th place on the Business Confidence Scoreboard of *The World Competitiveness Report*. Simultaneously, it went from 12th to 8th place on the report's World Competitiveness Scoreboard. Business confidence in the nation's future and in Denmark's ability to compete internationally is based on solid economic evidence—and geography.

A strong economy

Consider the economic picture. Denmark now has:

- One of the lowest inflation rates in Europe: less than 3% and falling
- A substantial and growing surplus in its balance of trade: more than 4% of GDP
- Wage increases significantly below those of other European countries
- A strong, stable currency tied to the EMS
- One of the lowest effective corporate tax rates in Europe
- A reassuring economic outlook: The OECD projects 1991 growth in GDP at 2%, industrial production at 4% and exports at 4.3%

A central location

Denmark is also strategically located. As a member of the European Community, it has access to the 325 million

consumers in the Single Market; and as a Scandinavian nation, it serves as a bridge to the non-EC—but very affluent—Nordic

KOCH-NIELSEN & GRØNBORG

LAW FIRM

ROBERT KOCH-NIELSEN, M.C.J.
JØRGEN GRØNBORG
ERIK OVERGAARD
C. KAARE PEDERSEN
ERIK MALBERG
CHRISTIAN MØLDE
HANS SEVERIN HANSEN
JENS H. ELMERKJER, D.E.A.
CHRISTIAN EMMELUTH, M.C.J.

FINN J. LERDØ
SVEND ERIK HOLM
MICHAEL REKLING
CARL NIELSEN
PETER FOGH, LL.M.
HENRIK BITSCH
JAN SCHNITZLER
PER HENRIKSEN
SVEN B. JOHANNESSEN

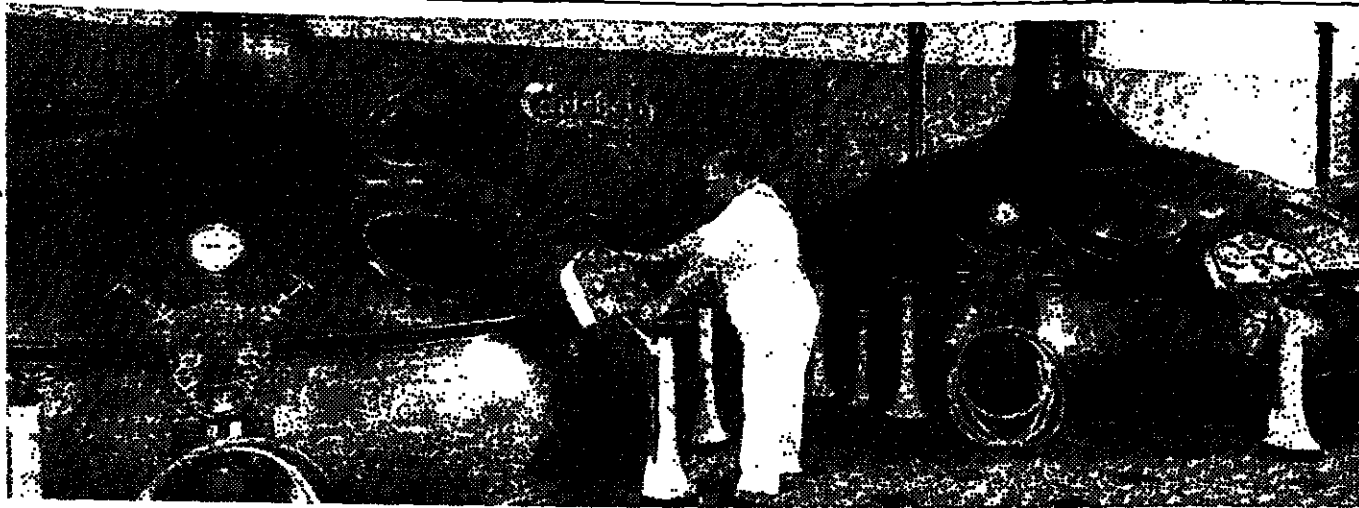
Centric House, 350-361, Strand, London WC2R 0LT Tel 071 497 9389
37, H.C. Andersens Boulevard DK-1553 Copenhagen V Tel +45 33 91 30 30
41, Bredgade DK-1022 Copenhagen K Tel +45 33 11 20 88

ENTER the EUROPEAN MARKET!

Decades of experience with industrial and electronic systems in Europe, North America and Japan are the foundation of my contact network that might put me in a position to assist you in your efforts. Call and let us talk over the possibilities we can develop.

ARNE IDSKOU,
Ligustervej 9, DK-8220 Brabrand, Denmark.
Tel. +45 8625 3189 & fax +45 8625 0511.
INTERNATIONAL INDUSTRIAL BUSINESS CATALYST

DENMARK 5



Carlsberg, the brewery group, with turnover of about Kr15bn, brews two-thirds of its beer in breweries abroad.

THE DANES have always tended to believe that small is beautiful, but the creation of the single European market has persuaded business leaders that big is sometimes necessary.

The realisation, which began to surface in 1988, has had a major impact on the structure of Danish business over the past two years, leaving its trace in manufacturing, financial services and the agricultural co-operative meat and dairy sectors.

Two major mergers in the manufacturing sector have stolen the headlines, but in the shadow of these there have been many other, smaller get-togethers. The big ones were the formation of Danisco and the merger of Novo and Nordisk Gentofte. Novo Nordisk has become a pharmaceuticals and enzymes group with a turnover of about Kr7bn.

Novo Nordisk has large world market shares in its key insulin and industrial enzymes products, and one of the biggest research teams anywhere working on CNS (central nervous system) remedies.

So far, results from Novo Nordisk look promising, although the performance has been partially masked by an appreciation of the Krone this year. Danisco was formed from the merger of the Danish Sugar Factories, Danish Distillers and Danisco, a food ingredients company.

In its new shape it has a turnover of about Kr12bn. The small company with a niche product which has a sizeable share of a small market is typical for Denmark. Some of these companies, small by global standards, are not so small in Danish terms, such as Danfoss,

Manufacturing industry

Mergers abound

with 13,000 employees and a turnover of Kr9bn, in temperature control equipment, hydraulics, and compressors (it is about to market what may be the first compressor which does not use the CNS gas freon), or Grundfos for stainless steel submersible pumps.

There are many notable smaller companies in the medical products sector, such as Radiometer, in blood gas analysers, and Coloplast, in disposable plastic products such as colostomy bags, while four Danish companies have about 25 per cent of the world market for hearing aids.

The electronics industry is likewise dominated by small, niche companies, but nonetheless Denmark has a higher per capita export of electronics products than any other European country except Belgium, according to the Danish Electronics Manufacturers Association.

The Danish furniture industry, which since "Danish design" entered the international vocabulary in the 1950s has continued to do well in export markets in Europe, the US and, latterly, in Japan, is sustained almost entirely by tiny firms, few of which have more than a couple of hundred

employees. But there are also outstanding large companies, which long ago burst out of the restrictions inherent in the small domestic market. The largest of them is the A. P. Moller group of companies, represented on the Stock Exchange by D/S 1912 and D/S Svendborg.

These two companies together have a market capitalisation of about Kr38bn, which is twice the value of Den Danske Bank, its nearest rival in this respect, and four times the value of the largest industrial, Danisco, Carlsberg and Novo Nordisk. APM's shipping business, best-known by the Maersk name, is one of the world's biggest shipping companies, owning or operating some 150 vessels and into almost every form of shipping except passenger traffic.

The Maersk Line global liner services handle 125,000 containers. APM is also the Danish partner (and operating company) in the Danish Underground Consortium together with Shell and Texaco. DUC produces oil and gas from the Danish sector of the North Sea. APM's offshore interests extend far beyond the frontiers of Denmark, since it operates

some 50 offshore drilling rigs, ranging from barge rigs to some of the world's largest and most sophisticated jack-up and semi-submersible rigs.

In addition, APM is a half owner of the country's biggest retail stores chain, Dansk Supermarked, operates an airline, Maersk Air, one of Europe's leading shipyards, the Odense Steel Shipyard, and several manufacturing companies.

The published turnover figure for the APM companies is Kr22bn and the group has about 25,000 employees worldwide. Other big league companies are the East Asiatic Company, turnover about Kr18bn, particularly well-known for its operations in South-East Asia, where about half of its global work force is employed.

ISS, the industrial cleaning and building maintenance group, has over 120,000 employees worldwide, boasting the world's largest army of cleaners.

Carlsberg, the brewery group, with turnover of about Kr15bn, brews two-thirds of its beer in breweries abroad - in Britain, Germany, Spain, Italy, Malawi, Malaysia and Hong Kong - and chief executive Poul J. Svanholm's ambitions are by no means satisfied. FLS Industries is another of the big ones with an international profile. It is a world leader in the design and construction of cement-making machinery and plant, and almost doubled its share of the world market last year by acquiring its main American rival, Fuller. Domestically, FLS is also big in building materials and packaging.

Hilary Barnes

Impact of a strong science tradition in universities

New industrial successes



Denmark is strong in biomedical research and physics. Above: a technician at work in one of the many laboratories at NOVO's headquarters in the outskirts of Copenhagen.

DENMARK has a higher per capita export of pharmaceuticals than any country except Switzerland, according to the Pharmaceuticals Manufacturers' Association in Copenhagen.

In addition to the pharmaceuticals companies, headed by Novo Nordisk, Loevens Kemiske Fabrik and H. Lundbeck, it has many companies whose success is built on ability in the life sciences, such as the food ingredients companies, for example, Chr. Hansen's Laboratorier, which is now able to use genetic engineering on an industrial scale for manufacturing rennet, an enzyme vital to cheese-making; Aarhus Olie, a specialist in vegetable oils for the food and cosmetics industries; and Grindsted Products, a subsidiary of Danisco.

These industrial successes are linked to a strong science tradition in the universities, which has recently been documented by Mr Tor Noerretreder, a Danish science writer.

"Denmark is one of the world leaders in high-quality, high-impact basic science," he says.

Mr Noerretreder has measured Denmark's strength in science by using what is known as the "bibliometric method", which consists of counting citations of Danish scientific literature in papers

written by the rest of the world's scientists.

The crude tally is then related to the population of the country concerned.

The results of the measurements show that, measured by citations, three small countries, Switzerland, Sweden and Denmark, in that order, have the best performance, while the big countries, such as the UK and the US, come well down the list.

In Denmark's case, performance is especially strong in biomedical research and physics, the first probably associated with a well-organised health system, the second with the tradition started by Niels Bohr, the father of quantum physics.

In contrast to this high performance in basic science, Denmark ranks low for research and development expenditure, which amounts to only about one per cent of GDP.

According to Mr Noerretreder, the amount of government-funded research, mainly in the universities, is on a par with other comparable countries.

But the resources allocated to R&D by the private sector fall well below the levels in countries such as the UK, Sweden, Germany and the US.

Hilary Barnes

Oil and natural gas supplies

Cause for satisfaction

THE GULF crisis has given the Danes cause for satisfaction on at least one count: they have developed a substantial degree of self-sufficiency in oil and natural gas from fields in the Danish sector of the North Sea.

This contrasts with the situation in 1973, when the first oil price shock came, accompanied by fears (unfounded, as it turned out) that supplies would also be disrupted.

At that time, Denmark was entirely dependent on imported energy.

Denmark now produces 5.5m tonnes a year of oil from

North Sea fields, as well as about 2.5m cubic meters of natural gas, a total of over 8m oil-equivalent tonnes. The country's oil requirement is about 8.5m tonnes.

The government is planning a substantial expansion of gas consumption in the 1990s as part of its long-term energy programme, with gas replacing coal in electricity production.

Output from the Danish fields will rise to 4.7m cubic meters a year by the mid-1990s.

The use of natural gas as a replacement for coal, plus a planned reduction in energy consumption by 15 per cent

by 2005 (excluding the transport sector) will, according to the government, bring about a reduction in emissions of carbon dioxide by 30 per cent, sulphur dioxide by 60 per cent and nitrogen dioxide by 50 per cent - without, says the government, having an effect on economic growth.

The transportation and distribution of natural gas is the responsibility of the state agency, Dansk Olie og Naturgas (DON), in conjunction with regional gas companies. The gas project has come under criticism because it is only possible to sell the gas to households and

industry by exempting it from the energy taxes applying to other fuels.

But DONG appears to have done a good job of building up the main distribution network, developing an expertise which has enabled it to win a number of international consultancy and planning contracts in competition with older and much larger European gas companies. Among them is a contract as consultant to the Greek national gas company, which is planning a national gas distribution network.

Hilary Barnes

ADVERTISEMENT

news letter

ENERGY POLICY

Less consumption - less pollution

Denmark's gross energy consumption reached a peak in the period 1979 to 1983, due to more economical space heating, which accounts for 29% of total gross energy



Sorting rubbish on delivery assists both recycling and energy production.

and then fell as a conservation policy took effect. While consumption has risen again, the latest figures show that consumption in 1988 was still 7% lower than the 1979 level, although gross national product rose by 16% in the same period. The main saving, 22%, was

mental protection. The use of renewable energy is increasing, and now provides about 5% of total energy. Sulphur dioxide emission was reduced from 418,000 tonnes in 1975, to 248,000 tonnes in 1987, while emissions of nitrogen oxide and carbon dioxide have gone up as coal has replaced oil in power plants.

A policy for the next century Denmark's first major energy plan for almost a decade was published in the spring of this year. "Energi 2000" sets its sights on the next century, and marks a break with past policy in that it takes a firm view of the environmental problems associated with energy.

On this basis, it includes strict limits for carbon dioxide emissions and follows this with a firm preference for natural gas as the fuel of the future for the power industry.

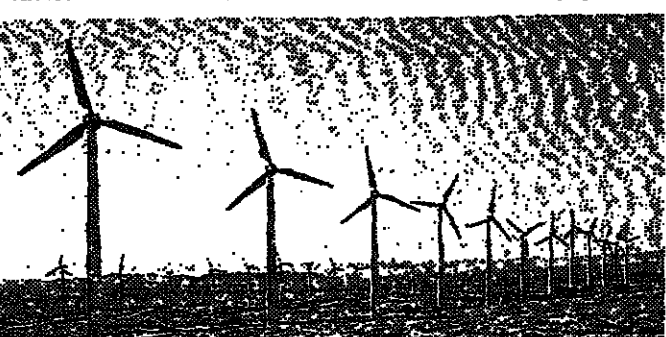
Energi 2000 follows a political compromise reached some time earlier which ordered some 30 district heating plants to convert to natural gas and to begin production of both heat and power.

The targets for Denmark's energy plan year 2005 compared to figures for 1988 are:

- gross energy consumption reduced by almost 15%
- natural gas consumption increased 170%
- consumption of renewable energy increased by about 100%
- coal consumption reduced 45%
- oil consumption reduced about 40%
- Environmental consequences by 2005:
- CO₂ emissions reduced by at least 20%
- SO₂ emissions reduced by about 60%
- NO_x emissions reduced by about 50%

Wind power for 125,000 houses

There are currently about 2,800 wind-powered generators in Denmark, and in



Windmills now produce 2 per cent of Denmark's electrical power - and the proportion is rising.

1989 they produced 500 GWh of power, equivalent to the consumption of a town with a population of 250,000. Equally important, they eliminated a considerable amount of pollution. If the same power had been produced by a coal-fired generating plant, it would have released 2,500 tonnes of sulphur dioxide, 1,500 tonnes of nitrogen oxide compounds, 375,000 tonnes of carbon dioxide, 125 tonnes of dust

and 20,000 tonnes of chlorine and fly ash. Wind turbines only provide about 2% of Danish electricity consumption, although production is rising. Privately owned wind turbines make up 85% of the total, while the power companies have about 50 MW of installed capacity, although this is to be increased to 100 MW under an agreement with the government. The average wind turbine being built in Denmark today has an effect of about 150 kW, and produces about 200,000 kWh yearly.

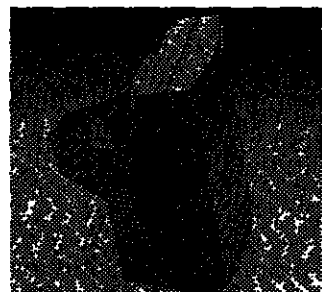
ADVERTISEMENT

news letter

DANISH ELECTRONICS

Ready to exploit the single market

The Danish electronics industry is, without doubt, one of Denmark's most R&D-intensive manufacturing sectors. It provides 5% of Danish industrial turnover and



Bang & Olufsen's Beovision combines elegant design with advanced electronics. The result is a product of the highest quality.

accounts for 8% of manufacturing employment, 10% of visible exports and an impressive 40% of Danish expenditure on R&D. That research effort has not resulted in the establishment of many front-line technology-based companies in the electronics sector. There is, for example, no manufacture of semiconductors in Denmark, even though a Danish company is responsible for a large proportion of world consumption of silicon for specific applications.

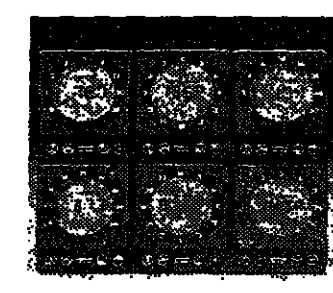
The Danish industry's strength lies rather in the ingenious and unconventional application of front-line technologies. In this area, it is probably second to none. Often, the lead time from conception to finished product is shorter than the development time required by the multinational companies which have the primary technologies required. An industry with firm footholds in professional electronics, consumer electronics and specialised components has emerged from what was, many years ago, a thriving radio industry - of which only Bang & Olufsen A/S and a high-quality loudspeaker industry now remain.

Denmark has traditionally been an open market. As far as the electronics industry is concerned, this is demonstrated by the following: In 1988, Danish manufacturers exported 84% of their products by production value (i.e. excluding OEMs) and 95% by sales value. Even so, Danish consumption of electronics goods far exceeded the value of Danish electronics production.

There are few, if any, major companies in international terms. Nevertheless, many of the small and medium-sized companies have specialised to such an extent that they have to treat the entire world as their home market. This holds true in the hearing-aid sector, measuring instruments, electro-medical

open, international tender. The Danish companies concerned have therefore been restricted to the domestic market, the Far East and the Gulf states. Large countries within the European Community, the United States and Japan have been virtually closed markets. This situation has, in turn, restricted the size of companies in the Danish electronics industry.

The single European market in 1993 and beyond could start to solve this problem. And the GATT Uruguay Round could also provide a part of the solution. Many of the Danish companies concerned see themselves as having unprecedented opportunities for growth but also acknowledge that they will experience tougher competition in Denmark as well. Over the past five years, foreseeing this challenge, the Danish electronics industry has been busy forming new strategic alliances. "Multinational acquisition" may well have been an unpopular concept 10 years ago but to-



SHIPMATE's navigation instruments have a data port which permits them to be linked with other equipment, such as a satellite navigator.

day Philips, Alcatel, AT&T, IBM, Vickers, Dowty, Ericsson etc. are welcome names in the Danish industry's vocabulary. Such companies have, more often than not, become fully integrated with the Danish social structure and have located centres of competence in Denmark - not just assembly plants. In general, they have further stimulated the development of the Danish electronics industry.

Thus, after the stagnation and ailing profitability of 1987 and 1988, the industry is now in a process of reorganisation and new investment. Marketing has been intensified too. There is, as a result, a reversal of the negative trend of the late 1980s and the Danish electronics industry is again beginning to show some of its former self-confidence and optimism.

DENMARK IN BRITAIN, an export campaign supported by the Danish Export Promotion Council, was established to present a range of

Denmark goods to British consumers. Even though the trade links between the United Kingdom and Denmark are strong and centuries old, there are still many Danish manufacturers whose products are not particularly well known on the British market. This newsletter describes a sector in which Danish industry has gained special experience of interest also to the United Kingdom.

DENMARK IN BRITAIN, an export campaign supported by the Danish Export Promotion Council, was established to present a range of

Danish goods to British consumers. Even though the trade links between the United Kingdom and Denmark are strong and centuries old, there are still many Danish manufacturers whose products are not particularly well known on the British market. This newsletter describes a sector in which Danish industry has gained special experience of interest also to the United Kingdom.

Contact Points

Danish Energy Agency
5 Gammel Kongevej
DK-1610 Copenhagen V.
Tel. +45 33 92 67 00
Telefax: +45 31 23 83 10

Royal Danish Embassy
Commercial Section
55 Sloane Street
London SW1X 9SR
Tel. 071 235 12 55
Telefax: 071 333 0243

Contact Points

Association of Electronics Manufacturers in Denmark
Barsebøl
DK-1217 Copenhagen K.
Tel. +45 33 12 36 19
Telefax: +45 33 91 36 19

Royal Danish Embassy
Commercial Section
55 Sloane Street
London SW1X 9SR
Tel. 071 235 12 55
Telefax 071 333 0243

DENMARK 6

An export success in the shoe industry

ECOOLET SKO, the shoe manufacturer in the little village of Bredebro (population 1,800) in south-west Jutland, is an example of what visionary Danish entrepreneurs are capable.

Founded by Mr Karl Toosby in 1963, at a time when the Scandinavian shoe industry in general was dying out, Ecco has now become one of the largest shoe manufacturers in north-west Europe, employing about 1,800 people (more than half of them in Portugal).

The company has a turnover of about Kr750m. Ecco shoes are designed for the leisure society and, says Mr Toosby, it was his "good luck that the leisure society developed first in Scandinavia."

The shoes are of high quality in design, manufacture and comfort - "as comfortable on the day you buy them as the old pair you are discarding," he says, "and they are suitable for wearing at work or for weekend walks."

The design and life-style concept is only part of Ecco's success; it is also a leader in shoe industry technology.

"We have to keep 10 years ahead of the competition," says a confident Mr Toosby, looking as if he is fully convinced that he can do just this. Perhaps the best tribute to Eccolet's technology is that a company in Japan is constructing a shoe factory on licence, using Ecco's technology.

There is also a factory in Czechoslovakia using the same process - and further licence sales are planned.

Computer-aided design and manufacturing, along with robots and automatic moulding machines are all part of the process in the factory in Bredebro, where uppers made in Portugal are moulded on to the soles, and from where all marketing, sales and invoicing takes place.

At peak production periods, as many as 8,000-9,000 people world-wide will be working on Ecco shoes, when sub-suppliers, in Brazil, India and Thailand, are counted.

Hilary Barnes

Agriculture and food processing

Crucial issues

THE GATT Uruguay Round negotiations are of crucial importance to Danish agriculture, which supports by far the biggest of the Danish industrial sectors, food-processing.

Basic agricultural products account for about 18 per cent of Denmark's merchandise exports. And when furs, beer, biscuits and other products with an agricultural origin are added to the total, around a quarter of the country's exports are agriculturally-based.

Denmark is exceptional in an EC context in that it has a large share of its exports going to third world countries. Furthermore, Japan is as important as the UK for pigmeat exports; Iran is its biggest market for cheese; the US is an important market for sliced ham. The Middle East consumes large quantities of Danish dairy products, and so, just now, do the American troops in Saudi Arabia.

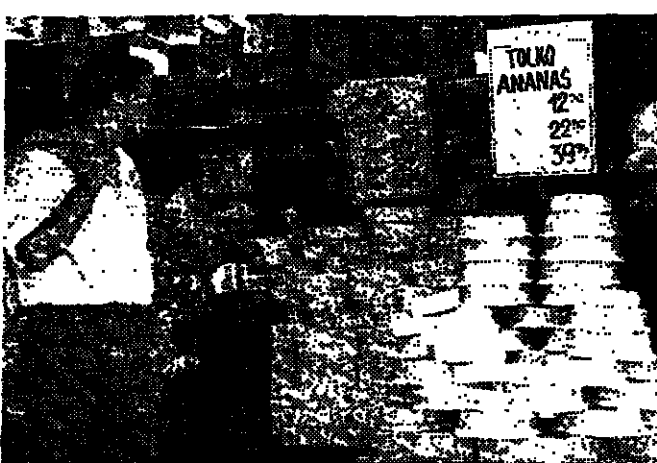
The emphasis being placed in the Uruguay Round negotiations on cutting export subsidies can have a particularly serious impact on Denmark. Indeed, says Mr L.A.O. Kjeldsen, chairman of the Agricultural Council, the situation could turn into "a disaster."

But Danish farmers' leaders say that, given "a level playing field," and a reasonably long transition period, Danish agriculture and its products are of such a high quality that it has a good chance of doing well in a less-regulated world.

The agricultural industry, meanwhile, is not standing idly by. The dairy and meat processing industries, which are entirely dominated by farmers' producer co-operatives, are undertaking two related reforms.

The dairies and slaughterhouses have undergone a drastic process of concentration. The dairy industry is now dominated by two big groups, MD Foods, which processes about two-thirds of the milk produced; and Klover Milk.

At the beginning of this year, there were nine large slaughterhouse groups, topped by Tulip and Steff Houlberg. By the end of the year there may be only five - and the largest of them, the result of a proposed merger between Tulip, Sundby-Wembo and East Jutland, will become one of the



A cheese shop in Copenhagen. Danish dairy products score high marks for quality.

largest, perhaps the largest, slaughterhouse group in Europe, with a turnover of about Kr500m and 8,000 employees. Concentration in meatpacking and dairies is being accompanied by a parallel development which represents a radical departure for the co-operative movement.

"We are making agricultural history," as Mr Flemming Lindelov, chief executive at Tulip, said. The four largest processed-meat products manufacturers, Danepak, the UK bacon factory, Normeat, JAKA Foods, and the processed meat products division of Tulip, which together produce some 180,000 tonnes of processed meat products a year, have been fused off into a new company, Tulip International.

It is a joint stock company, an entity hitherto regarded with deep ideological suspicion by the co-operative movement.

What is more, the company is supported by equity capital from external sources, the Danish institutions, headed by Hafnia Holding, whose chief executive Mr Per Villum Hansen, has played an inspiration role in this process.

External equity capital has previously been anathema to the co-operatives, who formed the co-operatives at the end of the last century in order to get themselves out of the clutches of "monopoly capital."

Concentration, says Mr Lindelov, is necessary partly to achieve a more rational use of capital, management and R&D

resources, partly to be able to become a serious partner for the big European retail chains, which are also undergoing a rapid process of concentration.

External capital is necessary for the processed meat (ham, forced meat products) because it is an industry which needs long-term investment and capital which has the patience to wait for its reward, he says, while in the traditional meatpacking co-operative the farmer wants his pay-out, cash-down, in the form of the "dividend" at the end of each year.

Tulip International plans both to develop new products, fast-food and ready-made meals, and to expand by acquisitions abroad. MD Foods, supported by the same group of institutions, has set up MD Foods International, which also has its sights set on expansion abroad through acquisitions.

Finally, Hafnia together with Intercool Technology, a company owned by Tulip, B&J Holding and AFV Pasilac, Danish subsidiary of the UK-based group, have formed a company, Dagro, with the intention of acquiring and developing pig production and meat processing plants abroad in order to take Danish know-how and technology to the markets where the raw materials are to be found - and thus to secure the global position of the Danish pig industry under changing world trade conditions.

Hilary Barnes

Expansion in the tourism sector

Emphasis on active holidays

TOURISM in Denmark is on the increase, boosted by the growing "green" consciousness among holiday-makers and a determined effort - and bigger budgets - by the Danish Government.

For pleasant, clean, sandy, unpolluted beaches, Denmark is the place. This year it had more beaches flying the appropriate EC flag, which means that they achieve EC standards for cleanliness, than any other EC country.

This is a strong selling point, especially with German holiday-makers, for whom Denmark is a short trip up the autobahn.

There is a clear movement away from the south-bound fixation of the past, when holidays meant rushing south to lie on a dirty, crowded beach.

"The emphasis now is on active holidays where the family can cycle or windsurf together and experience something new," says Mr Jorgen Bertelsen, director of the Danish Tourist Board.

The figures seem to support his view. Overnight accommodation figures were up by 12 per cent in 1989 and holiday cottage rentals by 19 per cent.

Preliminary reports for this summer tell of further growth, with advance bookings of holiday cottages for summer 1991 also said to be breaking records.

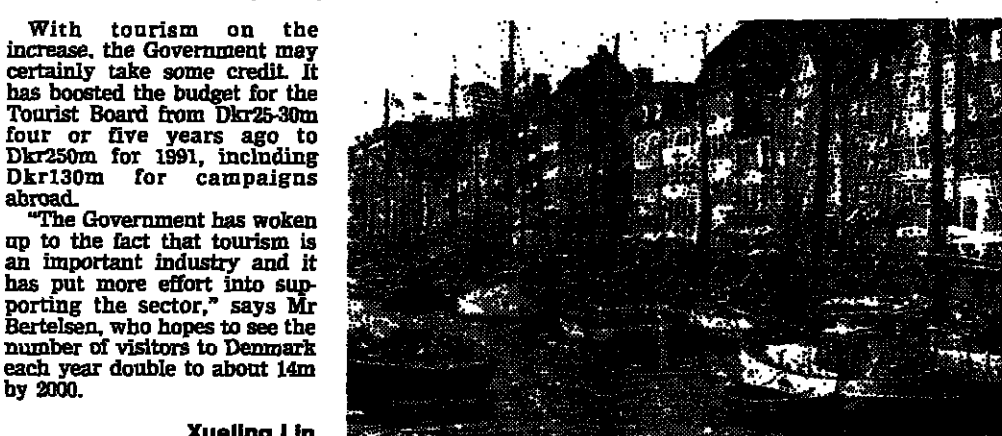
The increase in tourism is particularly notable in view of the strength of the Danish krone, which makes Denmark an expensive place to visit - "what we offer is value-for-money services," says Mr Bertelsen.

These services include well-run camping sites, lots of marinas which welcome yachtsmen visiting the Danish Baltic archipelago, and attractive summer cottages maintained to a high standard. And then there is the sea, sand and sky. The population density of Denmark is roughly half that of Germany or Britain, and Danish beaches appear to be delightfully uncrowded.

So do the roads, which if one has been driving on British or



Above: the boating lake at the famous Tivoli Gardens at dusk; and, below, vessels at picturesque Nyhavn, Copenhagen



Xueling Lin

HAVE YOUR FT HAND DELIVERED

...if you work in the business centres of

COPENHAGEN or AARHUS

Call Copenhagen (33) 134441 and ask Mikael Heiniö for details

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

German roads come as a blessed relief. To those for whom sea, sand and sky are not the object of a holiday, Copenhagen has much to recommend it. By the standards of capital cities, it is clean, uncrowded, and unspoiled by the ravages of developers.

Indeed, some may think that modernisation has not gone far enough, however: it is 12 years since a new city-centre hotel was built and interminable political bickering is delaying the development of large and attractive former dock areas (which is only open from May 1 to September 15), a pleasing mixture of funfair, gardens, concerts and some of the best restaurants in town.

Tivoli, which is a limited company listed on the Copenhagen Stock Exchange, is having considerable success in exporting its unique concept, especially to Japan.

A visit to Copenhagen in the summer is not complete without a visit to Tivoli, the amusement garden in the city centre (which is only open from May 1 to September 15), a pleasing mixture of funfair, gardens, concerts and some of the best restaurants in town.

Tivoli, which is a limited company listed on the Copenhagen Stock Exchange, is having considerable success in exporting its unique concept, especially to Japan.

Tivoli, which is a limited company listed on the Copenhagen Stock Exchange, is having considerable success in exporting its unique concept, especially to Japan.

ADVERTISEMENT

newsletter

DANISH DESIGN

It is in every quality product

Design has been an integrated element in Danish manufacturing for a long time - accepted as a creative process which both takes account of tradition and looks ahead into the future. This approach is used in relation to a far wider range of products than those normally associated with "Danish Design", such as chairs, lamps and other furnishings. It includes pumps, electric switches and a vast number of

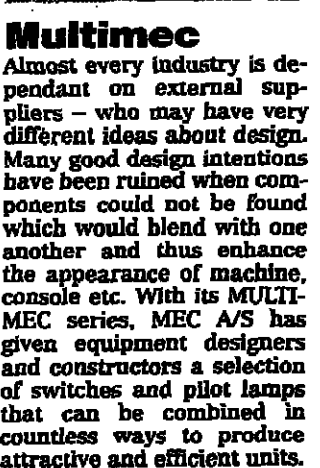
other industrial products, including many which are not even visible in operation.

Every year, the Danish Design Centre awards a number of products prizes for good design. Some examples are given below to illustrate how design is a central concern from the outset, to ensure easy manufacture and maintenance, as well as to achieve an optimal combination of function and form.



Stainless Steel Cutlery

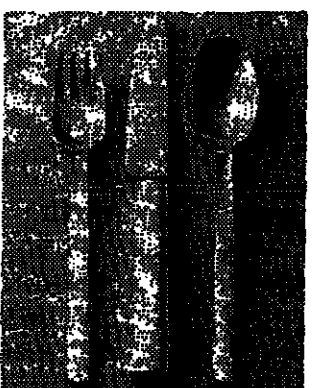
Bo Bonfils' cutlery is in clear line of descent from Henning Koppel's New York set, which was awarded the ID Prize in 1986, and Kay Bojesen's fifty-year-old Grand Prix series - and much further back still, to the classic English silver from the end of the 18th century. The cutlery's quality is also evident from its function and manufacture. The handles of the range fit comfortably into the hand and the stainless steel



Multimec

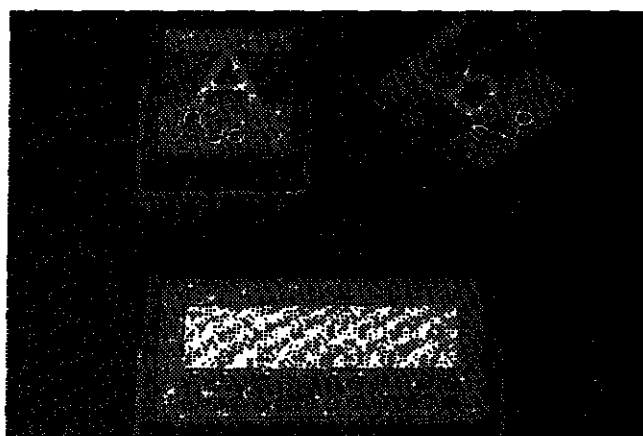
Almost every industry is dependent on external suppliers - who may have very different ideas about design. Many good design intentions have been ruined when components could not be found which would blend with one another and thus enhance the appearance of machine, console etc. With its MULTIMEC series, MEC A/S has given equipment designers and constructors a selection of switches and pilot lamps that can be combined in countless ways to produce attractive and efficient units. The switches exploit the so-called micro-switch technique and are based on miniaturization of the mechanical function.

Design: David Lewis IDD
Manufacturer: MEC A/S



has been beautifully treated with a polish that brings out the noble sheen of the material.

Design: Bo Bonfils
Manufacturer: Royal Copenhagen A/S

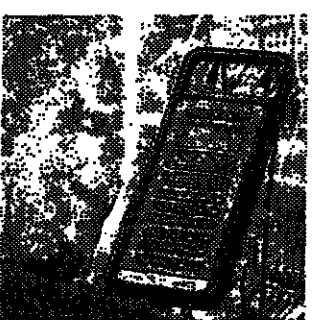


Leak Locator

The Caltronic Leak Locator is based on the exploitation of both acoustic measuring technique and electronic information processing. By placing the sound probe at two different places on a sus-

pected pipe, a leak can be located quickly and precisely. Development of this highly effective technique required a combination of advanced research with an understanding of the working environment.

Design: Christian Bjørn Design ApS
Manufacturer: Caltronic A/S



PCM Meter EPM 05

The GN Elmi PCM Meter is a battery-powered hand-held instrument for monitoring and measuring in connection with the installation, operation and maintenance of telephone exchanges and other communication systems. Its appearance is of an honest, unpretentious tool that does not pretend to be anything else than a tool for daily use by a fitter searching for faults.

This example points forward to a world where technology is used to make life easier for all and to liberate us from the uncertainty that is often associated with something new and unknown.

Design: Jan Trægårdh MAA IDD
Niels Christiansen MAA
Manufacturer: GN Elmi as

DENMARK IN BRITAIN

Danish goods to British consumers. Even though the trade links between the United Kingdom and Denmark are strong and centuries old, there are still many Danish manufacturers whose products are not particularly well known on the British market.

The newsletter describes a sector in which Danish industry has gained special experience of interest also to the United Kingdom.

Contact Points:

Danish Design Centre
18 H.C. Andersen
Boulevard
DK-1583 Copenhagen V.
Tel. +45 33 14 66 88

Royal Danish Embassy
Commercial Section
55 Sloane Street
London SW1X 9SR
Tel. 071 235 12 55
Telefax: 071 333 0243

PRIVATE BANKING WITH A PROFITABLE INVEST LOAN

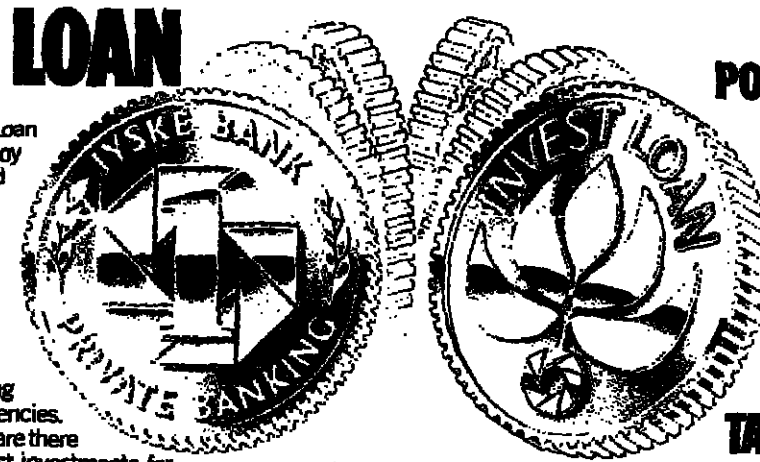
Thanks to our Invest Loan programme you can enjoy a remarkably high yield on your investment. And your earnings are not subject to Danish taxes.

You deposit just 20% of the sum you wish to invest in the form of high - interest currencies.

We lend you the remaining 80% in low - interest currencies. And Jyske Bank experts are there to advise you on the best investments for the highest possible yield. Jyske Bank.

Denmark's largest bank for private banking (For non-residents).

The value of your investment can go up as well as down.



POSSIBILITY FOR A REMARKABLY HIGH YIELD
EXTREMELY ATTRACTIVE TERMS
NO DANISH TAX ON EARNINGS



For full information, simply complete and return the coupon.

Jyske Bank
Private Banking (International) Name _____
DK-1501 Copenhagen V. Street _____
Denmark Tel: +45 31 21 22 22 Postal Code _____ City _____
Telex: +45 31 21 42 05
Jyske Bank (London) 119-120 Chancery Lane London WC2A 1HU Country _____
Tel: 071 631 2778 Telephone _____
Member of TSB
211403

RECRUITMENT

JOBS: Ways of cutting the risk of appointing incompetents raise dilemma for social policy

HOW many readers are guilty of putting off studying some potentially important report, shilly-shallying over a colleague's request for inconvenient action or the like? The Jobs column's guess is that very few people can be wholly innocent of such sins of omission.

So most of us probably feel a bit abashed by the disclosures of judicial inquiries into industrial disasters. Recamples in Britain are the inquiry on the 35 victims of the 1988 Clapham rail crash, and the trial of P&O European Ferries (Dover) and seven former staff over the sinking of the Herald of Free Enterprise off Zeebrugge in 1987 with the loss of 192 lives.

Nobody could sensibly deny that the inquiries are necessary. When life and death turn on employees' actions - which in the case of most jobs, they mercifully do not - the decisive failings need to be identified and exposed.

More vital still, however, is that they need to be prevented from happening again. And that is a less easy task because the complexities of working organisations make it hard to decide to what extent the identifiable culprits' errors were really their own fault.

Anyone who doubts it would do well to read Zhores Medvedev's

new book* on the disaster at the Chernobyl nuclear power station in 1986. He traces the release of massive and still incalculably destructive radioactivity to flaws far beyond the ken, let alone the control, of the operator whose mistake actually released it.

One of those flaws, for instance, lies in the Soviet system of paying bonuses to workers for finishing assignments on schedule, and even bigger sums for completion before time. Medvedev's study persuades him that the event which led to the disaster was not an attempt to improve a safety device already installed (as was officially reported), but an effort to fit one that had been left off the reactor in the rush to have it accepted as operational on December 31 1983.

If the director of the station had not signed the acceptance on that date, the book says, "thousands of workers, engineers and his own superiors in the ministries and committees would have lost bonuses, awards and other extras".

*The Legacy of Chernobyl. Basil Blackwell, £19.95.

(which often amount to as much as to or three times a monthly salary). Since salaries rarely increase in the Soviet Union, the bonuses paid for fulfilment or over-fulfilment of the plan become an increasingly important part of the average industrial income.

Hence the Soviet bonus system exemplifies how policies adopted by the leaders of a whole society, not to mention chiefs of companies, can play their part in causing accidents lower down. In which case, to my mind, the conclusion is clear. If lives are at stake, the hazardous policies should be changed.

Fire inquiry

But that too is no easy problem - as is illustrated by a further disaster which, although far less widely damaging than Chernobyl, caused about the same number of immediate deaths. It was the fire in London's King's Cross underground railway station three years ago, in which 31 people died.

One finding of the official inquiry was that, although there had been several previous reports

on fire risks in stations, staff in responsible positions had failed to heed the reports' implications.

Now interpreting reports is not something everybody can do. How well people do it depends on how good they are at intellectually assimilating information presented in written words and figures - or, in other words, on their verbal and numerical-reasoning ability.

To say that intellectual skills are not the be-all and end-all of high-level work (as I did both last week and the week before), is not to deny that they are a necessary part of it. Indeed, how essential they are has just been outlined by the British psychologist Peter Saville, of the Saville and Holdsworth consultancy, during a conference at Warwick University.

He explained that the reasoning ability, which can be measured by well established tests, is one of the best predictors of success in most kinds of managerial jobs. Research on huge numbers of people has shown that, in general, wise use of the relevant tests halves the risk of appointing an unsuitable candidate.

So the London underground rail authority is clearly justified in using measured reasoning ability as a criterion in selecting people for managerial jobs. The trouble is that in doing so, it has raised a dilemma for public policy.

The authority's use of the tests has been examined by Britain's Commission for Racial Equality, and the findings reportedly show that variances in people's measured reasoning ability are significantly linked with their origins. On the whole, the highest scorers are not whites - Ugandan Asians do rather better. But whites have a marked edge on other ethnic groups, especially Bangladeshis and Afro-Caribbeans.

London underground's results are not an isolated case. Similar findings have emerged from large-scale studies in America, which have also shown that men in general score higher than women.

The linked differences are in average performance, so that the least successful individuals in a higher-scoring group are often surpassed by the most successful in a lower-scoring one. Moreover, the varied performances of Ugandan

and other Asians seem to support the view of many if not most psychologists that the main causes of the differences are, not genetic, but social and so remediable. One possibility is that educational practices primarily designed for middle-class white children are ill suited to those of other origins.

No quick cure

Nevertheless the social causes of reasoning weakness would almost certainly take two generations or more to correct. So, if London underground were to select the individuals with the overall best performances, for a long time to come its managers would be very largely whites interspersed with a few Ugandan and other Asians.

It would be a strategy which, on such scientific evidence as exists, would give the best chance of overcoming the weakness identified by the King's Cross inquiry. But the result would bode ill for the peaceful future of a multicultural society.

According to Dr Saville, United States policy-advisers favour a compromise strategy. They argue

that, as an alternative to filling all managerial posts with the highest overall scorers, a quota of jobs could be fixed for each ethnic group, and filled with its own best performers. Calculations suggest that the compromise would still raise the reliability of selection, and that the gain would be only 23 per cent less than the maximum from the devil-take-the-hindmost option.

Even in the US, however, the compromise proposal is fraught with difficulties. For instance, while the idea of distinct ethnic groups is a handy one for eggheads to conjure with, the practicalities of settling how many there are and who belongs to which would need more than expert reasoning. And that would be before anyone got around to fixing the quotas.

In Britain there is the added difficulty that a quota-based approach would almost certainly be illegal under present laws.

That may be why Peter Saville thinks the ethnic differences will become the "hottest issue of the 1990s". But whether or not he is proved right, unless top policy-makers find a sensitive way to resolve the dilemma, it looks to have enough explosive potential to out-disaster even Chernobyl.

Michael Dixon

BANKING FINANCE & GENERAL

Structured Finance

Associate Director

c. £50,000 + Bonus

London

This AAA rated U.S. institution with over \$50bn assets has established a new unit in London to provide big ticket structured finance for industrial projects throughout Europe. They seek an outstanding young corporate or project financier who thrives in a culture which rewards determination and achievement.

THE POSITION

- Senior member of experienced, high calibre team underwriting and providing equity, mezzanine and senior debt on a project and corporate funding basis.
- Broad deal making responsibility from origination through structuring to closing.
- Emphasis on chemical, forest products, metals and mining industries in UK and Europe.

QUALIFICATIONS

- A winner, aged 25-35. Tenacity to drive transactions through to completion.
- Wide experience of financial markets gained in corporate or structured finance with a respected institution.
- Outstanding intellectual and analytical skills, confidence and ability to work hard under pressure. French or German language skills an advantage.

Please reply in writing, enclosing full cv, Ref BJ2519 NBS, Bennetts Court, 6 Bennetts Hill, Birmingham, B2 5ST (Interviews in London)

BIRMINGHAM • 021-233 4656
LONDON • 071-495 6392 • MANCHESTER • 0625 539953 • GLASGOW • 041-204 4334
SLOUGH • 0753 694844 • BRISTOL • 0272 308659 • HONG KONG • (HK) 5 217133

RATHBONE

EUROPEAN EQUITY SALES
AND RESEARCH

To £100,000

Pan-European and cross border expansion has led several leading International Securities Houses to review recruitment requirements in selected areas of their worldwide networks.

We would welcome serious approaches from established individuals with a minimum of two years institutional sales experience in Spanish, French, Swiss, German or Italian equities.

Applications are also invited from Equity Analysts with excellent sector or geographical knowledge.

For a confidential discussion please contact Lydia Wann.

SPOT & FORWARD
FX

To £50,000 + Bonus

We are currently seeking experienced and profitable spot and forward dealers for City clients looking to expand their existing dealing teams.

Dealers with knowledge of £, DM and YEN together with experience in Cross-Currency trading in the majors will be of particular interest to our clients as would any knowledge of related products such as Currency Options.

For a confidential discussion please contact Steve Giltjes.

ROBERT HALF
Financial Recruitment Specialists

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

INVITE YOU TO A
BUSINESS BREAKFASTEASTERN EUROPE:
The Business Opportunity

AT THE SAVOY HOTEL, STRAND, LONDON WC2
ON WEDNESDAY 3rd OCTOBER
8.30am-9.30am

- The talk will be given by John Mitchell, Regional Executive of ICI East Europe, and will cover:
- The Eastern European economies in perspective.
 - Their relative development prospects.
 - The major forces for development.
 - The relevance and competitiveness of current economic activity - the example of the Chemical Industry.
 - Major areas of opportunity for Western companies.
 - A way forward for an international Western company in Eastern Europe.

John Mitchell is Regional Executive of ICI East Europe based at the Company's H.O. in London. He studied at Oxford University where he gained an MA in Geography. He began his career at ICI in Billingham, and following a two year posting to ICI Turkey as Assistant General Manager, he moved to ICI Agrochemicals. He has more than 20 years' experience of trade with East Europe, mainly with ICI Agrochemicals where latterly he was International Marketing Director. Currently he is the UK Chairman of the UK/USSR Working Group on Agriculture, Food Processing and Packaging.

(Places at the breakfast are strictly limited.)

If you wish to attend, please contact Greg Ripley at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 071-836 3545.

Global Custody

Product Management/Marketing

London Bank

c£30,000

Our client, one of the most respected names in the UK banking industry, is looking to expand their presence in the global custody services area. Your brief is to assist in product development, specify appropriate enhancements to the current computer systems, refine unit costing, measure profitability and prepare marketing materials whilst supporting sales.

You are likely to be a graduate aged between 25 and 35 with some five years' experience

of product management in the financial sector and with exposure to the securities industry.

The package includes a mortgage interest subsidy, company car and profit sharing scheme. Interested candidates should in the first instance contact Ann Semple on 071-831 2000 or write enclosing a full curriculum vitae and current salary details to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5LH.

Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

Sales and Marketing Manager

Investment Management Group

Edinburgh

High negotiable salary + attractive benefits package

Our client, a leading independent Scottish investment house which actively manages investment trusts, pension funds and unit trusts has created the new position of Sales and Marketing Manager to increase the company's presence in the intermediary market.

Reporting to the Marketing Director, you will maintain relationships with existing supporting intermediaries and develop new connections throughout the UK. The emphasis will be on unit trusts but you will require an understanding of the company's full range of products. You will also deal with enquiries from unit holders, monitor fund performance and statistics and ensure that accurate records are maintained. Involvement in product design, the preparation of promotional literature

and advertising is also envisaged.

Ideally in your late 20's or 30's, your sales and marketing skills probably will have been acquired within a life office, investment management group or firm of stockbrokers. You must be team orientated, energetic, enthusiastic, well organised and seeking to develop a challenging career within an organisation at an exciting stage of its expansion.

The remuneration package includes a company car scheme, non contributory pension scheme, BUPA and bonus. A relocation package will be available if appropriate.

For a strictly confidential discussion please telephone or write quoting reference 1357 to Robin Douglas at FLA, 58 Queen Street, Edinburgh EH2 3NS. Tel: 031 220 3689.



Reed International is one of the world's leading publishing and information companies. We are well established in the UK, US and Australasia and are expanding in continental Europe and Asia. Last year our turnover was £1.58 billion and pre-tax profits were £302 million. We have 18,700 employees world-wide.

We now have an opportunity for a graduate to join our Group Treasury Department which is responsible for purchasing all banking services and the overall funding of the company.

As part of a professional Treasury team, you will initially be involved in foreign exchange

dealing and cash and interest rate management using highly sophisticated micro computer support systems.

To qualify for this interesting and demanding position, you must be a graduate - in any discipline - with two to three years' banking experience and passes in some or all of the ACIB examinations.

Please send full career information (including details of your degree and 'A' levels) to: Angela Barrett, Personnel Manager, Reed International P.L.C., Reed House, 6 Chesterfield Gardens, London W1A 1EJ.

INTERNATIONAL INVESTMENT MANAGEMENT GROUP

A major US based investment management group, now opening up in London, wishes to build a team of top quality investment professionals and senior staff rapidly to establish its local operations. The following key positions are to be filled:

EUROPEAN EQUITIES FUND MANAGERS

Candidates should have experience of successfully managing discretionary funds in Continental European and U.K. markets. Strong contacts in local markets and a knowledge of French and/or German will be valuable.

PACIFIC EQUITIES FUND MANAGERS

Candidates should have experience of successfully managing discretionary funds in the Pacific markets as a whole or in Japan/Hong Kong/Singapore/Australia.

INTERNATIONAL DEALING MANAGERS

Experienced international dealers are required who are familiar with international dealing regulations, settlement procedures etc.

SENIOR MARKETING MANAGER

An experienced international marketing manager is sought to work with potential North American, European and Pacific Basin clients and their consultants.

OFFICE MANAGER

A central role for a mature manager to take responsibility for the day to day management of the office accounting and support functions. As the business grows the scope of this position will develop accordingly.

INVESTMENT ADMINISTRATION MANAGER

This is a vital senior role for an operations and administration manager with a wide experience of international investment management systems and procedures, preparing valuations etc and with proven team management skills.

INVESTMENT ADMINISTRATORS

As part of the Investment Administration Manager's team, the administrators will have delegated responsibility for the day to day administration of portfolios and custodian liaison, preparation of valuations, safe custody arrangements etc.

Highly competitive salaries will be paid and will reflect the quality and experience of candidates.

Please reply enclosing full cv to:- Box No A947
Financial Times
1 Southwark Bridge, London, SE1 9HL

CAREER CHOICE

The Financial Times proposes to publish a Survey on the above on

17th October 1990

For a full editorial synopsis and advertisement details, please contact:

**Penny Robertson on
071-873 3316
or write to her at:**

Number One, Southwark Bridge,
London SE1 9HL.

FINANCIAL TIMES
LONDON & NEW YORK

FX MANAGER SYDNEY - AUSTRALIA

Leading Investment & Trading Bank

If you are looking for a lifestyle change and wish to broaden your career opportunities, then this Sydney based position will hold considerable appeal. One of Australia's most respected and high profile banks is seeking a special individual to take on this demanding and highly visible role.

Reporting to the Executive Director, Foreign Exchange, the position will initially be for two years and is responsible for the management of the Bank's night desk, servicing Australian corporates and a wide range of off-shore counter-parties in the Northern Hemisphere time zones.

Given the level of experience required, you are likely to be in your late 20's to early 30's and have a good academic record. You should have at least 5 years experience in foreign exchange with exposure to spot, forward, options and corporate dealing, but of equal importance will be your maturity, flexibility and excellent interpersonal skills. As well as utilising your prudential dealing and advisory skills, you will also need to manage a small team of committed individuals.

To attract candidates of the appropriate calibre, a very flexible package will be negotiated, including relocation expenses, a "night shift loading" and a profit share that together will contribute to a very high level of remuneration.

For further information in strict confidence, please telephone Raj Munde on 071 240 1040 in London or Sean Linkson on 010 61 2 256 0333 in Sydney during normal office hours.

If you prefer, forward a brief resumé to our Sydney or London office quoting Ref. No. 8701/2. Morgan & Banks Pty Ltd, Level 3, Royal Insurance Building, 1 York Street, Sydney NSW 2000, Australia or Morgan and Banks Search and Selection Plc, 114 St Martins Lane, London WC2N 4AZ.

Morgan & Banks

LONDON

WASHINGTON

SYDNEY

AUCKLAND

Mortgage Development Manager

... Develop your marketing career in a major Financial Services company and build a business

South West

c.£37,000

+
Financial
Services
benefits

An important force in the UK's Life Assurance industry, our client provides a comprehensive range of traditional and unit-linked contracts which are marketed through its diverse distribution channels. Critical to the Group's ambitious plans for expansion is the strategic decision to develop its mortgage activities into a key business area.

Reporting to the Life Operation's senior manager, your brief will be to spearhead the profitable growth of the Group's mortgage business in line with overall business objectives. Key priorities will be to develop and launch a range of competitive products and to provide a high quality marketing and technical support service to the sales channels compatible with the Group's overall marketing strategy.

Probably in your mid thirties to mid forties, you will be of graduate calibre with a solid track record in mortgage business gained with a central lender, Life Office or possibly a building society. Recent experience at a senior level of developing and marketing mortgage products is essential as is a keen understanding of pricing and funding issues. A strong marketing orientation coupled with a high level of technical competence is critical to success. Career development opportunities are excellent.

A salary around the figure indicated will be offered together with a comprehensive range of Financial Services benefits including mortgage subsidy, executive car, non-contributory pension scheme and private medical insurance. A full relocation package will apply where appropriate. Please write in confidence with full career details and a daytime telephone number quoting reference LS06 to Lynne J A Stevens, Senior Consultant, Barnett Consulting Group, Airwork House, 35 Piccadilly, London W1V 9PB.



NORWICH UNION FUND MANAGERS LIMITED

INVESTMENT ANALYST

Norwich Union, still enjoying the tremendous growth of the last few years, is a UK market leader and one of the top ten insurance and financial services groups in Europe.

Norwich Union Fund Managers Limited, member of IMRO and managing funds in excess of £.21 billion, seeks an experienced Investment Analyst to join the research team which provides fundamental analysis and original research on equities. As a senior member of this team you will have the opportunity to play a key role in its activities and future development as it widens its perspective from a UK base into Europe.

Educated to degree level you should have at least three years' relevant experience. A sound analytical training coupled with an enquiring mind, good communication skills and a high level of self motivation are essential. Some knowledge of a European language would be an added advantage.

The post is in Norwich, a prime location within easy reach of the City. A fully competitive salary, backed by a first class benefits package including performance related bonus and comprehensive relocation assistance, where appropriate, awaits the successful candidate.

We are an equal opportunities employer and happy to consider applications from registered disabled persons. If you wish to accept the challenge and opportunity offered by this post, write now with full career and salary details, mentioning this publication, to:

John Munday
Investment Personnel Manager
Norwich Union Fund Managers Limited
37 Surrey Street
Norwich NR1 3UZ

or ring John for an informal discussion on 0603 682963.



Research Analyst

£35,000

Leading Merchant and Investment Banking Group offers an outstanding opportunity to a qualified MBA Graduate to join its high-profile M&A team and to play a key role in the overall business promotion and marketing strategy. The successful individual will currently be working for a major Corporate Finance player with responsibility for researching industrial and corporate accounts in the UK and/or Europe and will be seeking a position to enhance and develop his/her existing skills.

Marketing - S. Europe

c£30,000

Aggressive City Bank seeks to strengthen its activities in Southern Europe and hence requires an experienced Marketing Officer, aged late 20s +, whose background reflects a good track record along with sound technical skills. The successful incumbent will join the Bank at Assistant Manager level and will be required to travel within Europe and the UK. An additional European language would obviously be considered a great advantage.

Product Development

£20-25,000

Top rated Bank seeks ambitious individual to assist in the development, structure and arrangement of new types of business for corporate customers with emphasis on Treasury products and tax-based leasing and asset finance. This position requires a graduate with two years' banking experience and a proven ability to assimilate, analyse and present factual information to senior management along with strong communication skills to deal with Banks, Professionals and Customers.

For further information please telephone or send your C.V. to Joslin Rowe Associates (Financial Recruitment Consultants), Bell Court House, 11 Blomfield Street, London EC2M 7AY. Tel: 071-638 3286 Fax: 071-352 9417.

A member of the Blomfield Group of Companies

Risk Management

£35,000+

Prime US Bank requires a well-educated candidate, aged 30+, whose principle responsibility, within the Financial Institutions Division, will be to monitor client relationships and credit risk and to reassess credit limits etc. Working closely with the Relationship Manager, the role will be similar to that of a Credit Analyst and therefore a minimum 5-6 years credit/risk experience is essential along with a good understanding of customer relations.

Marketing Support

£25,000

Corporate Banking team of top UK merchant bank requires an individual to provide support and analysis in the marketing and structuring of leveraged finance deals and general corporate asset-based lending. It is anticipated that the successful candidate will have 2-3 years banking/analysis experience, exposure to leverage deals along with the personality to eventually handle a client-based development role.

Transaction Management

£22,000

Worldwide Investment Bank offers an ideal opportunity for a young Law Graduate to broaden his/her relevant experience into a full negotiating role. Covering Eurobonds, Equity Derivative Warrants, Syndicated Loans and Private Placements, the candidate will become involved in a large number of deals with all parties concerned in transaction management. (Including pre-negotiated structuring) in addition to participating in the negotiation and execution of public transactions.

JOSLIN ROWE
Associates

CJA

RECRUITMENT CONSULTANTS GROUP

3 London Wall Buildings, London Wall, London EC2M 5PU
Tel: 071-588 3588 or 071-588 3576
Telex No. 887374 Fax No. 071-256 8504

Career move offering excellent long term prospects as company grows internationally.

SUPPORT AND SALES MANAGER

TRADERMADE®

£25,000-£45,000 + CAR

DEALING ROOM TECHNICAL ANALYSIS SERVICES

Tradermade International provides a range of sophisticated screen based real time graphical and numerical technical analysis services to customers trading in the FX and Futures markets. With satisfied top name subscribers throughout Europe, Tradermade has established an enviable reputation for the quality and reliability of its comprehensive services. To reinforce the London activities of this team of specialists and as part of planned European expansion they now seek a Support and Sales Manager (aged 25-35) with a background in the Futures/FX markets, knowledge of technical analysis and familiarity with computer systems. Reporting to the Director of Sales and Marketing and working between the City and Bromley offices, responsibilities will include consolidating relationships with current subscribers and personally generating new leads. A demonstrable record of closing contracts and the ability to drive ahead without supervision are essential. European languages will be an asset. Please write in the strictest confidence, enclosing full CV, to:

Philip F. Taylor, Director of Sales & Marketing, Tradermade International Limited, 8 Archers Court, 48 Mason's Hill, Bromley, Kent BR2 9JG.

Bankers Trust is a worldwide Merchant bank with an International reputation for excellence based on a forward-looking strategy and an innovative approach to complex business transactions.

Capital Markets Transaction Management

The perfect opening
for a fast-track legal
or banking graduate

We currently have an outstanding opportunity for a high achieving individual seeking a career within a prestigious bank to enter the international capital markets business, specialising in the transaction management of a unique range of market leading products, including Equity Derivative Warrants, Eurobonds, syndicated loans and private placements.

You will be involved in the execution and documentation of all major Capital Markets products, from the structuring of the mandate through to completion of the transaction. Initially you will concentrate on the 'plain vanilla' deals, gradually becoming responsible for the intricate, high impact transactions. It is a demanding and complex role that calls for intelligence, self motivation and an ability to thrive in a pressurised environment.

Aged in your twenties, you will have an excellent academic background supported by some six to twelve months experience in a legal or banking environment. First class communications skills and a high level of credibility are essential, as you will be liaising with a variety of individuals, including major clients, at a senior level.

An excellent remuneration package includes a generous mortgage subsidy and performance bonus.

Please write, in strictest confidence, enclosing full career details to: Ann-Marie Bevan, Bankers Trust Company, 1 Appold Street, London EC2A 2HE.

Bankers Trust Company

EQUITY FUND MANAGEMENT

Excellent salary + benefits London

Zurich Insurance, part of the £20 billion Zurich Group, is seeking an individual to join its City Investment team which is responsible for the management of the bulk of the group's growing sterling assets.

We are seeking someone with at least 2 years' experience of the UK equity market, and in addition some knowledge of overseas equity markets would be an advantage, although not essential. Working within a small team, the person appointed will be responsible for researching and monitoring new and existing equity holdings and will also assist in the day-to-day management of our portfolio.

Ideally aged mid to late twenties, you will need the attitude and initiative necessary to justify an early promotion. You should be educated to 'A' level standard, while a degree or relevant professional qualification would also be an advantage.

In return, Zurich will reward you with a fully competitive salary and remuneration package which includes assisted mortgage scheme and non-contributory pension plan with life assurance, permanent health insurance (subject to qualifying period) and generous insurance discounts. Relocation assistance will be available where appropriate. Please write with full career and personal details to Mr G. Exton, Investment Manager, Zurich Insurance Company, First Floor, Furness House, 106 Fenchurch Street, London EC3M 5EL.

Zurich Insurance is committed to equality of opportunity. All applicants will be judged solely on their merits.

ZURICH INSURANCE

Advance your career in COMMERCIAL LENDING with Nationwide Anglia

SENIOR MANAGER
c.£35,000 + car + benefits
COMMERCIAL LENDING MANAGER
c.£22,500 + car + benefits
Northampton based

Nationwide Anglia's track record in recent years has been one of continuous growth and consistent innovation. Ever alert to new opportunities, we were the first Building Society to move into the Commercial Loans market as a strategic diversification from residential property lending. Our lending portfolio is now well established and growing fast, with activity split between general Commercial Lending and Building Development Finance. The above positions have arisen due to a re-organisation of the Commercial Lending Department. The Senior Manager will be responsible for four lending teams dealing eventually with commercial advances in excess of £300K and reporting direct to General Management. The position requires management of a substantial existing portfolio of advances and the controlled expansion into new market sectors. You must possess a strong commercial lending background which will have involved the use of highly developed credit assessment and risk analysis skills at both operational and head office levels. The position will require formulation and implementation of policy decisions and lending targets for the Department.

You will already have made rapid progress in your career and are ready to take on responsibilities and challenges at a higher level. The Commercial Lending Manager will lead a small lending team, which is responsible for advances in excess of £300K. The position covers both Building Finance and general Commercial Lending and reports to the Department's Senior Manager. You will be required to negotiate, analyse, assess and report advances to a successful conclusion through a Credit Committee and a lending background involving direct customer contact and advances' control is desirable. You will be a career banker seeking more responsibility and the opportunity to broaden your lending skills. Both salaries are supported by an attractive package which includes profit sharing, fully expensed car, concessionary mortgage, BUPA and relocation assistance where appropriate.

Please write with a full CV to Robert Bolton, Human Resources Manager, Nationwide Anglia Building Society, Moulton Park, Northampton NN3 1NL. Closing date for applications: Monday 1st October 1991.



Nationwide
Anglia Building
Society

Nationwide Anglia is an equal
opportunities employer

Appointments Advertising

appears every
Wednesday & Thursday

Compliance Officer

City

£ Attractive Package

Our client is a highly successful firm of Commodities Brokers. An excellent opportunity currently exists for a high calibre individual to join the compliance department to perform a critical role at the heart of the operation.

The successful candidate will lead a team advising management and trading staff of AFBD rules. He/she will be responsible for maintaining and developing existing compliance policies and procedures and making representations of the firm, both to regulatory bodies and to other professionals in the compliance industry. You will need excellent communication

skills in order to liaise closely with senior management on the regulatory implications and comment on legal issues. Sound compliance knowledge is a prerequisite, possibly gained within the legal and accountancy professions or a regulatory body. A professional qualification, while helpful, is not essential. All candidates must have presence and a versatile and enquiring mind.

Interested applicants should contact Paul Marx on 071-831 2000 or write enclosing a full curriculum vitae to Michael Page City, Page House, 39-41 Parker Street, London WC2B 5HL.



Michael Page City
International Recruitment Consultants
London Paris Amsterdam Brussels Sydney

LONDON • NEW YORK • TOKYO

Capital Markets Swaps
Broker

with solid experience in the above centres is looking for a new challenge with either a broker or a bank. Would be willing to relocate

Write to Box A950,
One Southwark Bridge,
London SE1 9HL.

Swaps Trader

c.£60,000

+ bonus + benefits

A prestigious City merchant bank is expanding its trading activities and, accordingly, wishes to recruit a specialist interest rate and currency swaps trader to structure, hedge and trade its books. The role will require a combination of technical and trading skills, and the energy to contribute to the development of the department. Ideal candidates will be mid 20s, early 30s, with a successful swaps trading background.

Call Ron Bradley or Tim Sheffield
on 071 623 1266

Jonathan Wren & Co. Ltd., Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Tel: 071-623 1266, Fax: 071-626 8288

Jonathan Wren Executive

UK Equity Research £25,000-£50,000

We are acting on behalf of both fund management houses and a well known firm of stockbrokers in seeking analysts who have specialised knowledge of the oil and property sectors (investment), food manufacturing and other industrial materials/conglomerates (securities). Attractive salaries will be offered to candidates who can demonstrate experience in these sectors, combined with an education to degree standard and strong interpersonal skills.

Call Martin Symon on 071-623 1266

Jonathan Wren & Co. Ltd., Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Tel: 071-623 1266, Fax: 071-626 8288

Jonathan Wren Executive

INTERNATIONAL JOBS

Please look at our
Reuters screen

**Reuters
M2000
Jobs**

- Treasury
 - Capital Markets
 - Fund Management
 - Equities
- Sydney London
Hong Kong Agency

SALES/TRADER EUROPEAN EQUITY

Established, medium sized securities arm of continental bank requires
Senior European equity sales/trader.

The ideal candidate will be 25-35 years old, have experience of trading German, French and Dutch equities, and of his or her relevant UK/European counterparties.

He or she should also have a working knowledge of the French language.

Remuneration will not be a problem for a suitable candidate. Equity participation can also be made available.

Please reply to Box H7295, Financial Times,
One Southwark Bridge, London SE1 9HL

LOOKING FOR NEW POSITION IN SINGAPORE

M.D. with 12 years working experience in S.E. Asia and invaluable connections in the region, Europe & Japan; interested in (large) corporations looking to expand to S.E. Asia.

Station base preferred in Singapore but travel to surrounding region is no problem.

Write to Box No. A933, Financial Times,
One Southwark Bridge, London SE1 9HL

日本語で読む ユーロ金融情報誌

IFR 日本版
International Financing Review

日本人編集記者募集

International Financial Journalism: Japanese writers

The Japanese edition of International Financing Review is looking for experienced, bi-lingual financial journalists to report on European banking and capital markets. The reporters would work from one of IFR's ex-Japan offices — London, Paris, New York or Zurich — and report to the Japanese Edition's editor in Tokyo. IFR's Japanese Edition was successfully launched in June this year, while International Financing Review itself has been operating in Tokyo since the early 1980s. Apart from fully fluent written Japanese and fluent spoken English, the successful candidate will need excellent reporting skills and a good understanding of financial markets. However, further training in international finance will be offered by the company if required. Very competitive salary and benefits packages will be offered to the right candidate.

IFR Publishing Ltd is a fast-growing subsidiary of The Thomson Corporation. Its headquarters are in London and it has offices in New York, Paris, Zurich, Tokyo and Hong Kong. Applicants in Europe should send their applications to Peter Krigerman, Editor in Chief, IFR Publishing Ltd, South Quay Plaza 2, 183 Marsh Wall, London E14 9PU, UK. Applicants in North America should send applications c/o Simon Hyson-Smith, Bureau Chief, IFR Publishing Ltd, 12th Floor, 387 Park Ave South, New York NY 10016, USA. Applicants in the far east should send applications c/o Velvet Yoshinami, Bureau Chief, IFR Publishing Ltd, Kanda Amerex Bldg No. 3, 3F, 3-10 Kanda, Jimbocho, Chiyoda-Ku, Tokyo 101 Japan. Envelopes should be marked "Japan".

Are you an unhappy TRADITIONAL STOCKBROKER?

Why not join a happy ship. We are a long established (City based) stockbroker providing all the conventional Private Client services. We also have a sound and growing institutional business.

In confidence write to
Box A949, Financial
Times,
One Southwark Bridge,
London SE1 9HL

INTERNATIONAL PROPERTY ADVERTISING

appears every
Saturday in
the Weekend FT.
For more
information call
Lourdez Bellis

on
071-873 4839

United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) an organisation providing education, health and relief services to a large refugee community in the Middle East, requires a

Public Information Officer

for news reporting and media/public relations work. Post is based in Jerusalem and involves travel within Middle East. Successful candidate requires a university degree professional diploma in journalism or related field and at least six years of related working experience in national or international journalism or public information. Fluency in English is essential. Knowledge of Arabic and French desirable. Annual net tax-free remuneration at entry level approximately US\$ 35,000- (single) and US\$ 42,000- (with dependents), plus fringe benefits. Detailed applications before 15 October 1990 to:

Chief, Personnel Services Division (VN/13/90/B)
UNRWA HQ (Vienna), Vienna International Centre
P.O. Box 700, A-1400 Vienna/AUSTRIA
Tel: (+43-1-2131 4310, Tel. 133310 UNRWA A, Fax (+43-1-213 07 487



TELECOMMUNICATIONS -IRELAND

GENERAL MANAGER OF OVERSEAS BUSINESS

The Board of Ireland's national telecommunications provider has recently created an Overseas Business Division within the Company's Business Development Directorate. This appointment is a new position and the Division's mission will be to develop overseas business opportunities in support of the Company's strategy of maintaining revenue and profit growth into the 1990's.

The General Manager - Overseas Business will lead a small multi-disciplined team in identifying and evaluating overseas business opportunities. The responsibilities of the position will encompass the complete spectrum of new business development including negotiation of joint ventures, business planning and proposal formulation, overseas new business start-up, and subsequent business performance.

Candidates for the position must have the following:-

- A thorough knowledge of the telecommunications industry and familiarity with international telecommunications developments;
- A track record which demonstrates a strong entrepreneurial orientation;
- Excellent interpersonal skills;
- The ability to provide leadership and motivation in a team environment dedicated to innovation and new thinking.

The ideal candidate will have above average academic qualifications which would include an MBA or equivalent qualification. At least five years business experience will be required, some of which would include time spent in a corporate or strategic business development role within a large but dynamic organisation. Fluency in at least one Continental language would be a decided advantage.

This appointment offers an outstanding opportunity for a qualified business professional, providing the challenge of making a significant contribution to a dynamic organisation engaged in a growing market sector.

An excellent remuneration package is available to the right candidate for this important position.

Please respond, in complete confidence, to:-

Eugene O'Neill
Director
Executive Selection Division
Coopers & Lybrand
Associates Ltd.
Fitzwilliam House
Wilton Place
Dublin 2.
Telephone: (01) 682222.

An AMCO Member



**Coopers
& Lybrand
associates**

THE YASUDA TRUST & BANKING CO. LTD. CREDIT MANAGER

£Negotiable plus banking benefits.

CITY

Yasuda's continued expansion in London has created the need for a new Credit Manager. The ideal candidate aged between 35 and 40 will be a graduate, possess a banking qualification and have a minimum of 5 yrs. credit experience with an International Bank. Together with some marketing experience, wide exposure to UK/European corporate accounts and strong management skills will be essential to establish and develop this new team.

To apply, please write in confidence to:-

DAVID WILKES
OSBORNE, RAMBERT & BRANDT
Sidda House, 350 Lower Addiscombe Rd., Croydon CR9 7AX
081-655 3775

Investment Analyst

Oxford

£27,000

International venture investing company, currently relocating to Oxford, requires an Investment Analyst to join its small executive team.

Candidates should be 25-35 years old, have a degree and previous investment experience. Knowledge of the unquoted sector as well as PC skills would be advantageous. This position would suit a self starter keen to become involved in the development of this entrepreneurial company.

Please write with CV by 1 October to
Box A943, Financial Times,
One Southwark Bridge, London SE1 9HL

HEAD OF LEASING £100,000 package

A major international bank seeks to recruit a General Manager to penetrate the middle/big ticket domestic UK leasing market.

Candidates should possess a proven record of achievement in this sector coupled with in-depth knowledge of the relevant taxation criteria. The autonomy offered by this position and the freedom to diversify into crossborder products make this a unique opportunity.

Please contact **Jill Backhouse**

Jonathan Wren & Co. Ltd., Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Tel: 071-623 1286, Fax: 071-626 5256

Jonathan Wren Leasing

FINANCIAL DIRECTOR £Neg.

An excellent opportunity for an ACA to be instrumental in the development of the financial and operational functions of this middle ticket/vendor leasing operation. Suitable candidates will be of the highest calibre and have gained extensive systems, reporting, treasury and general management experience within similar business sectors.

Please contact **Peter Haynes**

Jonathan Wren & Co. Ltd., Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Tel: 071-623 1286, Fax: 071-626 5256

Jonathan Wren Leasing

MIDDLE TICKET MARKETING OTE £40,000 + bens.

Due to the continued success of our Client's UK leasing venture, they now seek to expand their marketing team. Suitable candidates will be high achievers who have complimented an Industrial Finance House training with a period in a specialist leasing company or broker. This is a superb opportunity to join the fast track of an innovative, well respected, international organisation.

Please contact **Fiona Donaldson**

Jonathan Wren & Co. Ltd., Recruitment Consultants
No. 1 New Street, (off Bishopsgate), London EC2M 4TP
Tel: 071-623 1286, Fax: 071-626 5256

Jonathan Wren Leasing

Sedgwick James Credit Limited is an important part of the Sedgwick Group, Europe's largest insurance broker.

Due to growth and plans for further expansion we are seeking experienced candidates who are capable of producing new business and servicing strategically important accounts.

Ideally applicants will be aged 28-40 and will need to demonstrate that they are already established in this field.

Along with a competitive salary we offer a comprehensive benefits package which includes a car.

Please telephone Howard Manton (Managing Director) on 071-377 3244 for further information.



Sedgwick James

INVESTORS CHRONICLE

Britain's leading stockmarket publication needs a

EUROPEAN EDITOR

to run the magazine's "Europe" section.

This covers the major European economies, industries, stockmarkets and quoted companies on a weekly basis. The successful candidate will have:

- a sound understanding of economics, financial markets and companies.
- fluency in at least one major European language.
- a background in journalism which includes organising, commissioning and editing.

Please write, enclosing CV and samples of work to:

Gillian O'Connor
Editor
Investors Chronicle
Greystoke Place
Fetter Lane
London
EC4A 1ND



SENIOR PORTFOLIO MANAGER

International Fixed Income

CITY

EXCELLENT PACKAGE

Our client is a major institutional fund manager who has shown substantial growth and consistent performance throughout the 1980's. There is an opportunity to join the International Fixed Income team at a senior level to manage multi-currency portfolios on behalf of a range of international clients. The environment is dynamic and professional.

Part of the portfolio management role will include responsibility for a single or group of markets, some product specialisation and contribution to the asset allocation process. Some overseas travel will be necessary for client reviews and in support of the marketing effort.

Candidates should be graduates in their late 20s or 30s with a minimum of 3, preferably over 5, years portfolio management experience in either or both of the short and long term markets. An economics background, strong foreign exchange exposure and knowledge of derivative markets will be an advantage. Personal qualities will include excellent verbal and written communicative skills, self motivation and the ability to contribute to a team.

This position offers outstanding career development opportunities. The total compensation package combines a highly competitive salary with bank benefits which include subsidised loans and mortgage, bonus scheme, car, health insurance and non-contributory pension scheme.

Please contact Andrew Thompson on 071-236 7307 or write sending a detailed CV to: 20 Cousin Lane, London, EC4R 3TE. Fax: 071-489 1130. All enquiries will be treated in confidence.



STEPHENS ASSOCIATES

SEARCH AND SELECTION SPECIALISTS IN SECURITIES AND INVESTMENTS

Major Financial Intermediary in Madrid (Spain) and linked with an Important European Bank has a vacancy for:

EQUITY SALES MAN/WOMAN FOR THE U.K. MARKET

Requirements:

- * University degree and/or MBA
- * Age between 30 and 40 years
- * Minimum five years experience (ref. required)
- * Has to have established accounts

Languages:

- * English
- * and preferably Spanish

Salary:

- * Negotiable

Willingness to reside in Madrid (Spain)

Letters should be addressed to:
C.M. Capital Markets Holding, S.A.
Paseo de la Castellana 36-38
Edificio Heron - Planta 10 dcha
28046 Madrid - SPAIN
Att: Mr. Alfonso Ramos



PIONEER.

US CORPORATION seeks a

PARALEGAL (m/f)
for its Brussels-based legal department.

The successful candidate will be required to support lawyers in all aspects of the Corporation's legal activities including the organisation of statutory filings, board meetings, shareholders' meeting etc. of its subsidiaries and affiliated companies worldwide, and the preparation of various legal agreements. We are looking for someone who has:

- a University legal qualification and some practical experience working in a law firm; OR
- at least 3 years' administrative experience working in an international law firm

Other requirements are that the candidate be able to work in English and French and some experience of word processing is desirable though not essential. Remuneration will be commensurate with experience.

Please send CV and photo to: **PARALEGAL,**
Pioneer Overseas Corporation -
Avenue Tedesco, 7, 1160 Brussels.

EURO BROKERS

A UNIQUE OPPORTUNITY IN FINANCIAL FUTURES

We are currently seeking people experienced in dealing with financial futures to join our expanding financial futures team.

Candidates must be looking for a challenging career and should be well versed in all aspects of futures broking.

Remuneration will be commensurate with experience.

Please apply in writing to:

Sarah Agar
Euro Brokers Financial Services Ltd
Adelaide House
London Bridge
London
EC4R 9EQ

الرياض ٢١ سبتمبر ١٩٩٠

FINANCIAL TIMES FRIDAY SEPTEMBER 21 1990



INTERNATIONAL MARKETS

Having recently relocated as part of our planned expansion, we would now like to hear from experienced institutional sales people, sales traders or teams looking for greater rewards for their efforts.

We specialize in the Far East and primarily wish to augment our present coverage there. However, our flexible approach and facilities enable us to consider those active in other key markets.

Remuneration will reflect your contribution to our business and the potential of joining a successful, emerging company.

Please therefore call
Ms. M. Doyle, P.A. to the Managing Director
on 081-524 9395

Or alternatively, write with full C.V. to Box A948, Financial Times, One Southwark Bridge, London SE1 9HL
For the attention of the Managing Director

All communications will be treated in the strictest confidence.

PRIVATE CLIENT STOCKBROKERS

With over two centuries presence in the City, we are proud to be untainted with the worst aspects of "Big Bang". We are a well capitalised firm with no dominant shareholder.

We remain a closely knit firm of individuals dedicated to servicing the needs of the Private Client in the old manner. Not for us Group Leaders, targets, crack of dawn meetings, compulsory in-house recommendations and so much else that goes with the larger firm today.

We are seeking either individuals or a team with an established client base to join us and to expand our already extensive network. We are able to offer attractive and flexible remuneration terms to suit individual circumstances.

If you are interested in a change of environment we would very much like to hear from you. So why not telephone or write (in the strictest confidence of course) to:

**OLIVER HEMSLEY
RAPHAEL ZORN HEMSLEY
10 THROGMORTON AVENUE
LONDON EC2N 2DP
TELEPHONE: 071 628 4000**

Appointments Advertising

Appears every Wednesday & Thursday (UK)
Friday (International Edition)
For further information, please call:

071-873 3080
Jennifer Hudson ext 3607
Richard Jones ext 3440
Georgina Harris ext 3392
Denise Harris ext 3199

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Private Clients & Selected Institutions

Various International Locations
OUTSTANDING REWARD PACKAGE

THE OPPORTUNITY

Help build a profitable Private Client and Select Institutional core business for a quality driven Bank.

Reporting directly to the Managing Director in Switzerland, but working from locations to be agreed, these key appointments will appeal to polished individuals committed to the highest level of Client service.

These appointments call for solid international High Net Worth account management experience, maturity and personal credibility.

THE ORGANISATION

An exclusive, foreign owned, Private Swiss Bank with a small, dedicated management team.

Highly competitive remuneration packages will be offered to attract the right candidates.

Please write, in complete confidence, with fully detailed CV to: P.O. Box 856, 1211 Geneva 3.

MARKETING OFFICER CENTRAL LONDON

Due to further expansion a major financial institution requires securities specialists to sell its securities products.

The applicants will have detailed operational knowledge of the major debt and equity markets and be an excellent communicator to be able to sell their ideas both inside and outside the firm. In addition, an organised approach to one's work, together with familiarity of working to deadlines and targets is required.

Detailed knowledge of customer needs and services provided by the securities industry will be required.

Applicants will most probably be graduates and understand both Japanese and European culture and business practices. The ability to speak Japanese and a European language will be required.

Apply with CV to Banking Personnel
41/42 London Wall, EC2M 5TB
By 26th September 1990.

Banking Personnel

A Hays Personnel Services Ltd. Company

COMPLIANCE EXECUTIVE

International Capital Markets
To £25,000 + first class benefits + early review

Sumitomo Finance International, the principal capital markets arm of The Sumitomo Bank, Limited, is a well-established, innovative securities house, recognised as a growing force in the international capital markets.

Due to the continuing expansion of our business, we require an additional compliance executive to assist in the day-to-day running and further development of the compliance function.

A University graduate, the successful applicant will have at least two years previous experience in compliance within an Investment Banking or Securities environment and now be ready for a position of greater responsibility and involvement. Some systems experience is essential.

This is a high profile position in a complex and rapidly changing business environment - a challenging opening for a forward-thinking individual seeking to build a career in compliance with an organisation committed to individual career development.

Interested applicants should send a comprehensive CV to Mrs Sarah Dean, Personnel Officer at Sumitomo Finance International, 107 Cheapside, London EC2V 6DT.



Sumitomo Finance International

COMPLIANCE AUDITOR - UNIT TRUSTS

LOCATION: CITY, MOVING TO CHATHAM MARITIME IN 1992

A vacancy has arisen in our Compliance Department for a Compliance Auditor.

Reporting to the Compliance Officer, you will be responsible for all aspects of the Compliance monitoring of our Unit Trust procedures against the relevant Statutory Instruments and the Rules of SIB and IMRO. You will prepare reports to senior management on our standards of Compliance in addition to the other normal Compliance functions such as complaints processing and Rule interpretation.

You will also assist with the LAUTRO responsibilities of the Compliance Department and will therefore develop a comprehensive knowledge of Compliance as it affects a major Insurance Group.

The successful candidate is likely to be over 25 and have a good working knowledge of Unit Trust theory and administration procedures and will be capable of working without the need for close supervision. Experience of the stock market and a knowledge of the relevant Statutory Instruments and the SIB and IMRO Rules would be a distinct advantage.

The position is initially based in the City of London, with relocation planned for 1992 to a new, purpose built office at Chatham Maritime in Kent, providing excellent facilities for staff.

The post offers all the usual benefits of working in a major and successful financial group such as subsidised mortgage, car purchase scheme, excellent pension scheme, and a relocation bonus.

Salary is negotiable depending on experience, but is likely to be in the region of £20,000.

Applications and C.V.s should be sent to the Personnel Manager at the address below. However you are welcome initially to discuss the post informally with the Compliance Officer, John Anthony on 071-955 8680.



THE COLONIAL MUTUAL LIFE ASSURANCE SOCIETY LIMITED
(Incorporated in Australia 1873)
24 Ludgate Hill, London EC4P 4BD Telephone: 071-248 9861
A member of LAUTRO

How do Europe's best business people get the top jobs?

They use the FT.

Senior business people all over Europe use the FT throughout their working day.

They use it to keep up with the news, views, issues and most importantly the opportunities.

So for key national and international appointments, using the FT gives them a wider choice of the top jobs.

Today Europe is the job market and the FT, Europe's business newspaper, is where to find it.

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

TOP OPPORTUNITIES

SENIOR POSITIONS IN GENERAL MANAGEMENT

COMMERCIAL LAWYER

We are a world leader in the industrial gas industry with a European turnover of up to \$600 million and an asset base exceeding \$900 million in nine European countries.

As an accomplished Commercial Lawyer with a working familiarity of one or more continental legal systems, you are in an excellent position to become involved in broad based commercial legal work on the continent, including Benelux, France, Germany and Eastern Europe.

Join us and you will be part of a small team of lawyers reporting directly to our Vice President and General Counsel, Europe. Your wide ranging activities will include legal support for the preparation and negotiation of major product sale contracts, acquisitions, divestitures and joint ventures. Though based at our offices in Walton-on-Thames, England, you will travel frequently throughout Europe, and enjoy both a high degree of professional autonomy and a variety of legal challenges.

In addition to at least five years' experience with a major law firm or corporation, you should be fluent in at least one other European language besides English, ideally German or Dutch.

In return we offer a highly competitive package, including a car, BUPA medical insurance, relocation expenses where appropriate, and a salary that reflects the importance of this position.

For further information please telephone David Pollock on 0932 249748, or write to him at Air Products Plc, Hershaw Place, Molesey Road, Walton-on-Thames, Surrey, KT12 4RZ, England.

AIR PRODUCTS



Commercial Finance Corp.

Sales and Marketing Director

ITT Commercial Finance Corporation is establishing a subsidiary in the UK. Based in Woking, the Company will provide inventory (stocking) finance for major UK and European manufacturers, as well as US corporate subsidiaries operating in the region. In North America the Corporation is one of the largest independent companies in this specialised field and provides stocking programs for a wide range of industries and products.

They seek an experienced manager who will assist in the setting up of this Company and whose specific task will be to lead the Sales and Marketing drive throughout the region. Reporting to the Division President in the US, the person appointed will work alongside a US national who is being seconded to the operation for an initial period. The Sales and Marketing Director should have the potential to succeed this person as General Manager once the operation is fully established.

**OVERTON
SHIRLEY
& BARRY**

INTERNATIONAL SEARCH AND SELECTION

The Corporation seeks a person with around twelve years or more exposure to the finance industry, with a first class track record and extensive experience of calling on manufacturers, dealers, distributors and other relevant organisations. Additionally he/she will need experience of credit approvals and credit collections as well as good man management skills. Education should be to degree level and an MBA or marketing qualification will be preferred. Good written and verbal communication skills are essential.

The Company offers an excellent remuneration package including high bonus potential and a company car.

Please write in confidence in the first instance to Caroline Magnus quoting Ref. 1034 at Overton Shirley & Barry, Prince Rupert House, 64 Queen Street, London EC4R 1AD. Tel. 071-248 0355.

Managing Director

Consumer Products

£50,000 + Bonus

Herts

A challenging appointment for an ambitious Managing Director to revitalise and exploit the undoubted growth potential of a key business within a highly regarded British Plc.

THE COMPANY

- ◇ Market leader in its sector.
- ◇ £25 million turnover company.
- ◇ Requires strong direction to maximise future business performance.

THE POSITION

- ◇ Full P & L and balance sheet management responsibility.
- ◇ Provide leadership and strategic vision to improve the level and quality of future profitability.
- ◇ Championing new attitudes and development plans.

QUALIFICATIONS

- ◇ A successful general manager, probably aged 35 - 45, with strong leadership skills and a first class track record in consumer products marketing.
- ◇ High achiever with profit centre management experience in a manufacturing environment.
- ◇ Excellent communicator with commercial acumen and the presence and vision to manage change and growth.

Please reply in writing, enclosing full cv, Reference J9925ft
54 Jermya Street, London, SW1Y 6LX

S N

LONDON • 071-493 6393
BIRMINGHAM • 021-233 4656 • BRESTOL • 0272 308639
MANCHESTER 0625 529953 • GLASGOW • 041-204 4354
SLOUGH • 0753 694844 • HONG KONG • (852) 5 217133

Managing Director

Insurance Broking

An expanding division of a long established, highly profitable, financial services public company.

• **RESPONSIBILITY** is to the Main Board Chief Executive for the leadership, direction and profitable development of the business; there is a particular emphasis on marketing.

• **THE NEED** is for a record of outstanding general management in the insurance industry, and an acknowledged reputation for successful business development.

• **AGE RANGE** 38-50; location in Greater London.

• **REMUNERATION** is negotiable and unlikely to be less than £50,000 per annum.

Write in confidence, enclosing Curriculum Vitae and quoting reference 7307/FT to:

TK

SELECTION

8 Hallam Street, London W1N 6DJ. Telephone 071-580 6113, Fax: 071-631 5317

A DIVISION OF TYZACK & PARTNERS

FINANCIAL TIMES EUROPE'S BUSINESS NEWSPAPER

désire vous faire part
d'un accord publicitaire avec
LES ECHOS
le quotidien de l'économie le plus
important en France.

Une annonce dans
le **FINANCIAL TIMES** et **LES ECHOS**
augmentera de façon substantielle l'impact
de votre message
sur les cadres dirigeants en Europe.

Chaque semaine les annonces paraîtront
dans les Echos le mardi et dans le Financial
Times le mercredi
(le vendredi dans l'Edition Internationale du
Financial Times).

Pour de plus amples renseignements, veuillez
contacter:

STEPHANIE SPRATT
071 873 4027

MANAGING DIRECTOR ... EXECUTIVE REWARD

LONDON £100,000

OUR CLIENT is a highly successful niche team of corporate finance and taxation professionals with "blue-chip" institutional backing and a substantial client base of CEOs in PLCs & significant owner managed businesses.

A FURTHER COMPANY has been formed to meet the growing demand for high quality design and implementation of remuneration packages that will enhance the performance of key players in client organisations. A Managing Director is sought to lead and develop this business in conjunction with the "parent team" of professionals. The service will make a serious input to those companies seeking to establish their competitive edge.

THE M.D. WILL HAVE THE CRUCIAL TASKS to build a profitable advisory business; know how to influence the role & dynamics of top teams; draw together the required range of professional skills both from within and where necessary, outside of the organisation. The successful candidate will sell complex concepts at Board level; be conversant with "leading edge" remuneration packages and provide advice. Paramount importance is attached to the possession of proven general management skills, as is energy to develop the business.

Base salary will be modest, but negotiable around £80,000. Potential rewards are bounded only by your ability to visualise, develop and create this niche market waiting to be fully discovered. If your background seems to meet these criteria, telephone in absolute confidence. Peter Willingham, quoting reference number 1705.

**Kidsons Impey Search & Selection Ltd, 29 Pall Mall
London SW1Y 6LP Tel: 071-321 0336 Fax: 071-976 1116**

The Top Opportunities Page appears every
Wednesday for senior positions in
General Management.

For details of advertising and for any
further information please contact
Elizabeth Arthur or Stephanie Spratt
on 071-873 3000

This advertisement appeared in The
Financial Times
Top Opportunities
page and achieved

15 replies
4 shortlisted
2 from search
2 from FT
FT candidate placed

"I have been particularly delighted
with the quality of response. I
would have no hesitation in using
the Top Opportunity section again"

Peter Willingham,
Managing Director
Kidsons Impey

European Director Leading Communications/Comprising Research & Consulting Firm

International IT research and consulting firm is seeking a Director for its European operations. As European Director you will have a general management and P&L responsibility for research, consulting, marketing and sales activities throughout Europe.

The Yankee Group is a 20-year leader in communications and computing strategic analysis. From its base in the UK, the Yankee Group has researched European markets and served major European IT vendors and users since 1979.

You must have experience in telecommunications or computing, strong public speaking skills and be a pragmatic, strategic thinker. Background in market research / consulting, with good sales / marketing and general management experience preferred. EC nationality required. Excellent salary commensurate with position and qualifications.

Please send letter of introduction and CV in confidence to Susan Thody, the Yankee Group Europe, The Old Free School, Watford, Herts. WD1 8BX, England.

the Yankee Group
Boston • London • Tokyo • Sydney

MANAGER

CABINET DE RECRUTEMENT INTERNATIONAL - PARIS

Important Cabinet de Recrutement International, déjà leader dans plusieurs pays, cherche à développer son réseau Nord Européen.

Bénéficiaire de la confiance d'une clientèle déjà établie et étant aux commandes de ses filiales internationales, le Cabinet est bien placé pour augmenter sa part de marché local.

Initialement spécialisé dans le domaine de la Finance, nous recherchons le collaborateur idéal, responsable de développement de ce nouveau secteur.

Le candidat, âgé de 28 à 34 ans, maîtrisant parfaitement la langue anglaise, devra faire preuve de suffisamment d'intérêt et de détermination pour diriger une équipe fortement motivée.

L'essentiel réside dans sa capacité à entretenir et développer un réseau de contacts de plus en plus riche avec notre clientèle. Des connaissances dans le domaine de la Finance ou du Recrutement constitueront un atout supplémentaire.

La rémunération inclut un salaire substantiel, une participation aux bénéfices, ainsi qu'un intéressement, ne constituant pas un facteur limitatif.

Les candidats intéressés sont priés d'envoyer leur C.V. à l'adresse indiquée ci-dessous. Pour toute information supplémentaire, veuillez nous contacter au numéro suivant: (33 1) 42 66 12 83. Nous vous remercions de garder un caractère confidentiel à votre demande.

M. Dan Sheffert, Eurocabinet
71 Rue du Faubourg St Honoré
F-75006 Paris

Appared 6/6/90

24 replies
5 shortlisted

Successful applicant placed came from Paris.

Richard Parnell of Robert Walters Associates says "The Financial Times has a good global reach, with an overall high quality response."

JP 12/10/90

ACCOUNTANTS West London Area

Our Client, a leader in the American Leisure Market is expanding quickly and needs accountants based in the West London area.

OPERATIONS ACCOUNTANT c£25,000 p.a.

Reporting to the Financial Controller, you will develop internal controls for stores and work closely with operational management to establish procedures. You will implement information reporting systems to and from stores and will prepare monthly statements.

You should have at least 3 years experience with exposure to internal systems of control. Your interests should lie in systems development and implementation.

INVENTORY CONTROLLER c£20,000 p.a.

Reporting to the Financial Controller, your major role is to develop and control a system of inventory for company products. This will include taking control of store inventories, implementing stock monitoring procedures, maintaining systems & data and controlling costs.

You must be highly organised with good attention to detail. Ideally, your background will have been in an accounts environment but experience of a numerate function using data bases is equally acceptable. LOTUS 123 experience would be an advantage.

If you would like to be part of our clients expansion programme, please write with your CV and current salary, quoting reference J1 139.

All applications will be treated in the strictest confidence.

RMA

Resourcing Recruitment Advertising Ltd
Blackfriars Foundry, Unit 302,
156, Blackfriars Road, London SE1 8EN.

ACCOUNTANCY COLUMN

Insurers prepare for EC accounts directive

By David Waller

EVERY accountant knows that it is a matter of some difficulty to define whether a set of accounts is true and fair in the first place, and then even more difficult to explain what the words true and fair actually mean.

Two types of companies, namely certain types of banks and insurance companies, have traditionally enjoyed an exemption from the statutory requirement to produce "true and fair" figures. A directive from Brussels will remove that exemption for insurance companies.

Although the directive - on the annual accounts and consolidated accounts of insurance undertakings - is still in draft form, the UK's insurance industry has applied itself to the question and last week the Association of British Insurers produced its own proposals for accounting reform.

The ABI's consultative document is a complex piece of work which, when adopted as a statement of recommended practice (Sorp), will have a dramatic effect on the reported earnings of life companies, and a less pronounced but still material effect on composite insurers and other financial services companies owning life businesses.

According to some commentators, it will have a knock-on effect on other aspects of the life assurance business - for example, on product design, remuneration packages and computer systems. Actuaries Bacon & Woodrow say that it will also impose a heavy burden of new responsibilities on board directors who will have to make judgments on the numerous

assumptions that will lie behind the new accounting numbers. The traditional method of accounting for life business evolved in the nineteenth century and was intended to protect the interests of policyholders rather than to display a "true and fair" view of the company's profits performance in a given financial year.

Under the "accruals basis," the timing of the recognition of profits is independent of the emergence of the statutory surplus

Under the traditional method, all revenue and costs relating to long-term business are accumulated in a fund, while statutory rules govern how much can be transferred out of it. The reported profit - the so-called statutory surplus - represented actual cash available for distribution to shareholders.

"Because the statutory rules have the effect of limiting the amounts that can be transferred out of the fund in the early years of a policy," observes Mr Roger Whewell of KPMG Peat Marwick McLintock, "much of the profit cannot be recognised until the later stages of a policy, often many years after it was written."

"Indeed, in the case of many policies where initial expenses are high,

the writing of the business will reduce the amount available for transfer and so the company will record a loss in the year in which the business is written even though the business is expected to be profitable."

The next difficulty is how allocate the profit from year to year over the life of the policy. At the end of the policy - the contract completed and the benefit paid - it ought to be possible to assess all the income and costs associated with the contract, and then decide that the profit on that particular contract was £X.

Looking ahead 15 or 20 years to the completion of the contract now does one decide on the allocation of that profit of £X from year to year? Conceptually, the problem is no different from the one tackled in Statement of Standard Accounting Practice (SSAP) Number 9 (Accounting for Long-Term Contracts), but, in practice, accounting for a life policy is more complex than dealing with a construction project.

The ABI has alighted on what it calls the "accruals basis", under which the timing of the recognition of profits is independent of the emergence of the statutory surplus. The fundamental principle behind that method is that profits are posted over the term of the contract in a way which reflects "risks borne and work performed".

Under that arrangement, estimated cash flows are discounted using the rate of return that the company expects to earn on its investments. When doing the calculations, an adjustment is made to factor in

"planned profit margins". That is done by increasing the projected expense levels by the expected profit margin.

Without the profit margin adjustment, the discounted figure would be the amount the company is allowed to distribute to shareholders and have just enough funds left to meet the expenses associated with the contract.

One aim of the ABI's proposals is that life companies will be open to conventional investment analysis techniques

"By adding planned profit margins to the best estimates of future cash flow," explains Mr Whewell, "only part of the profit is taken on Day One, the balance being spread over the term of the contract."

The technique is similar to the "embedded value" method employed by some financial services companies with life operations. To make a calculation of embedded value, one values the future cash flows using a discount rate representing the required rate of return to shareholders. According to Mr Whewell, profits tend to be volatile when using that method and it is difficult to assess from them how sustainable earnings will prove to be. Moreover, embedded-value figures

are not comparable with earnings figures produced by other types of companies. One aim of the ABI's proposals is that life companies' will be susceptible to conventional investment analysis techniques: that the companies will be able to be assessed with reference to price/earnings ratios, rather than on a yield basis.

Both balance sheets and reported profits will look bigger after the ABI's proposals are adopted, but will that have any effect on the companies' ability to pay dividends and thus on share rating?

Insofar as economic reality will not have changed one iota, the answer is, probably not.

However, some - such as Mr Kieran Poynter, a Price Waterhouse partner, and Mr Anthony Hobson, finance director of Legal & General - believe that the disclosure of (for example) assumptions on expense inflation, rates of investment return, and the breakdown of the components of current-year profits - will help the market to come to a better understanding of the quality of earnings.

There are bound to be testing troubles - Bacon & Woodrow points out that it will take a period of time before the system beds down, during which comparisons between companies will be more rather than less difficult.

A degree of initial confusion may be the price of truth and fairness.

Draft proposal: Accounting For Shareholders' Profits in Long Term Business. Association of British Insurers, Alderman House, 10-15, Queen St, London EC4M 1TT.

ACCOUNTANCY APPOINTMENTS

FINANCIAL MANAGER

A key appointment with outstanding prospects

Sussex Coast

Our client, a leading FMCG distributor with depots throughout the U.K., is privately controlled, entrepreneurially managed and plans to continue to grow its billion pound business. The company now wishes to recruit an ambitious accountant initially to carry through a specific project which will lead on to a senior role in financial management.

Under the general supervision of the Group Financial Director, the prime tasks of the manager initially will be to evaluate carefully the company's management information procedures, analyse the overhead cost structure of the business and formulate plans for further development within a defined business plan in which a key factor is the requirement to be the lowest cost operator. Once agreed, the successful candidate will lead on to the implementation programme.

Applicants, young qualified accountants, preferably graduates, should have the ability to command the respect of senior managers, the desire to be fully involved in the undertaking of the business and its motivation of people, excellent communication skills, good computer literacy and the ambition, determination and tenacity required to achieve positive results. Our client is looking for a candidate who is capable of promotion to the Board in the medium term. It is envisaged that this could lead to participation in a planned MBO as a key member of the management team. The remuneration package will reflect the significance of this post.

Please write with full career and salary details to John Hills, quoting references P2836 and indicating any companies to whom your papers should not be forwarded.

KPMG Peat Marwick Selection & Search

70 Fleet Street, London EC4Y 1EU

Assistant Financial Controller Insurance and Financial Services Sector

Competitive Salary Package including Car

Lake District

Provincial Group PLC, the parent company of a group of diverse businesses in the financial services field, has an excellent career opening for a young high calibre qualified accountant in its Group Finance Department located in Kendal in the Lake District. The position arises from internal promotion and presents an opportunity to work in a fast moving business environment.

Working closely with the Financial Controller, to whom you will report, your main areas of responsibility will include:

- the review, analysis and interpretation of subsidiaries' operating plans and forecasts and the production of group operating plans and financial forecasts;
- the interpretation of subsidiaries' results and performance measures, entailing the production of top level financial reports initiating financial decision making;
- the preparation of financial reports and ad hoc investigations;
- the production of group statutory accounts. Recognising

statutory and regulatory requirements.

- to improve the quality of financial reporting in the group and to ensure the timely and accurate preparation of the group's periodic financial statements.

The position represents an excellent opportunity for a confident and innovative accountant, with a firm but diplomatic personality.

The successful applicant will be a qualified accountant (ACCA, ACA), preferably a graduate, able to demonstrate post qualification experience relevant to the areas of responsibility envisaged in the post. Preferred age range 25-35.

Remuneration package includes competitive salary, car, subsidised housing loan, private health scheme and contributory pension scheme. Assistance with relocation costs.

Please apply in writing with full CV to: Mrs L. Bell, Staff Manager, Provincial Group PLC, Strangeways, KENDAL, Cumbria LA9 4BE.

PROVINCIAL GROUP PLC

Group Financial Controller To £35,000 Package LONDON

An exceptional opportunity has arisen within the International Property Development Field, with the requirement to appoint a Group Financial Controller with responsibility for overall decentralised group financial affairs.

The role is both challenging and diverse. You will be responsible for group consolidations, financial analysis, budgeting and forecasting. Your brief will also include the provision of a significant financial and systems advisory service to senior management off-site. You must also have

the flexibility to cope with special investigations, and a limited amount of travel to Spain is envisaged.

Candidates will be Qualified Accountants preferably aged under 40. Excellent communication skills and an innovative approach are essential. Although relevant sector experience is not essential, experience within an international group would be advantageous.

Interested candidates should call Howard Lancer on (071) 490 4988 in confidence, or write with full CV to Business Selection, 1, St John's Square, London EC1M 4DH.

business selection

ACCOUNTANCY AND FINANCIAL RECRUITMENT



National Power

MANAGEMENT ACCOUNTANT COMMERCIAL OPPORTUNITY

Swindon

By 1991 National Power Plc will be the largest UK generating company quoted on The Stock Exchange. Having inherited 50% of the previously publicly owned generating capacity in England and Wales, major cultural changes are under way in financial management which will strengthen its position as a leading energy business.

As a result, National Power is seeking a qualified Management Accountant for its Energy Management Centre (EMC) to help create a climate where the financial impact of decisions is given full prominence. The EMC acts as a commercial centre interfacing with the National Grid and implementing National Power's pricing/bidding strategy, as well as providing intelligence on the electricity market. This new appointment calls for a commercially astute accountant to devise management systems to

To £35,000 + benefits

provide financial information for use on a wide range of market reporting, forecasting and modelling issues.

We are seeking an individual with the ability to grasp complex issues quickly, and who ideally has had a strong business background with an economics slant. You should have good technical and analytical skills and the ability to communicate effectively with senior management. An important aspect of the role is the capability to work both independently and as a intermediary between financial and commercial staff.

If you are interested in this opportunity to undertake a highly visible role please write, enclosing full career and salary details including day and home telephone numbers, to Diana Westlake at the address below quoting reference 5649/6.

KPMG Peat Marwick Selection & Search

70 Fleet Street, London EC4Y 1EU

Where do we go from here? Developing new policies and systems - with your specialist advice.

There is a major local authority in the South West of England who can make the most of your financial experience and your energy and new ideas.

Their Finance Department is an innovative organisation, receptive to fresh solutions and continually seeking better ways to provide top quality financial services. Now they are looking for imaginative and enthusiastic people to help shape these services.

PRINCIPAL ACCOUNTANT to £28,700

Your task will be to provide advice and guidance to the main policy-makers in Education and Social Services: Two areas currently undergoing tremendous change.

Free from involvement in day to day financial affairs, you will have every opportunity to propose new solutions as well as interpreting the financial consequences of policy proposals and changing external factors.

Involvement in policy formulation and in decision making plus excellent communication skills are more important than public sector experience. However, an understanding of local government is essential and you must be a qualified accountant.

CAPITAL ACCOUNTANT to £26,200

Your role will be to provide corporate level advice on all matters of capital expenditure and financing. This is a high profile, policy-driven position within an

organisation whose significant capital programme remains a major priority.

Your challenging brief will be to advise on options to maximise resources and optimise expenditure in these times of constraint and change.

Probably CIPFA qualified, your experience of local government finance must include work on capital programmes.

AUDITOR to £22,500

If you can always see the customer's point of view and have a positive approach to problem solving, you will find this post a perfect home.

We are looking for someone with imagination and energy to plan systems audits and deliver a top class service to meet the changing needs of two major customers - Education and Social Services.

Strong analytical skills and a varied audit background are vital; but although exposure to these services would be valuable, local government experience is not essential.

All three posts offer the satisfaction of seeing good ideas take shape. In addition, you will be based in an attractive part of the country, and will enjoy an excellent benefits package.

So, if you have the vision to help shape my clients' future, write with full CV, quoting Ref S/787 and indicating current salary to me, Cathy Mair at Austin Knight Selection, 11th Floor, Castlemead, Lower Castle Street, Bristol BS1 3AG. Alternatively, telephone me on (0272) 221891 (daytime) or (0272) 238071 (evenings/weekends).

Austin
Knight

Financial Controller

West End to £33,000 + Bonus + Car

Our client, a c£40m, is part of a quoted International Group providing facilities to a broad ranging customer base that includes technology, finance, consumer and many other sectors. The client specialises in the provision of information services and is a household name.

Having achieved successive years of profit growth the organisation is continuing to expand and develop and, as a consequence of this progress, the company now seeks to appoint a Financial Controller who will play a major part in upgrading the quality of financial data for management. Responsible to the Finance Director this proactive role encompasses the development and implementation of systems, active participation in the strategy planning process and on-going analysis of the operations within the

business to support commercial decision-making. Candidates should be qualified accountants, age indicator late 20's/early 30's, with good interpersonal skills, practical common-sense and an ability to make positive changes and improvements to the workings of the finance team in a dynamic environment. Please telephone or write enclosing your full curriculum vitae quoting ref: 434 to:

Philip Cartwright FCMA,
97 Jermyn Street,
London SW1Y 6JE
Tel: 071-839 4572

**Cartwright
Hopkins**

FINANCIAL SELECTION AND SEARCH

Financial Management Opportunities in the North West

This highly regarded PLC has a track record of profitability, organic expansion and a high acquisition profile. Both positions are within the media sales division which is generating outstanding profits and will benefit still further from strong financial management.

Financial Controller TO £33,000 INC. BONUS + CAR

This position is with a recently acquired company where the needs are to establish sound financial systems and monthly reporting. The Financial Controller will lead the integration into the division and will be a key player in the future growth strategy of the Company. Candidates will be qualified Accountants and will need the strongest of influencing skills to successfully handle the role.

Reference 518

Financial Controller TO £33,000 INC. BONUS + CAR

This newly created position calls for a qualified Accountant preferably CIMA to join the management team to establish the financial and administrative systems in this recently formed company. It is a rare opportunity to develop financial information and controls in a greenfield site and contribute to the creation of the company.

Reference 517

As the head of the financial function in each company, successful candidates should expect to be Directors in the short term as the PLC is developing rapidly and will recognise and reward personal commitment and contribution. It is a fast moving sales environment and interested candidates who feel that they best function in this kind of culture should send a detailed CV, quoting reference number to:

Staniforth-Endsors & Partners, 37 Avon Road, Hale, Cheshire WA15 0LB.
Tel: 061 927 4492. Telefax: 061 929 8098.

**STANIFORTH-ENDSOR
& Partners**
CONSULTANTS IN ORGANISATIONAL COMPETITIVENESS

Qualified Accountant

West London c. £32,500 + Car + Benefits

With a diverse portfolio of market-leading products and a strong commercial edge, this British FMCG group is enjoying an impressive record of success and strategic growth.

Co-ordinating the financial activities of a number of Sales and Distribution outlets, your brief will encompass everything from directing Branch Accountants to installing a suitable accounting environment for a major systems development project in 1991. Since you will be leading by example, your role will involve a limited amount of nationwide travel.

Together with previous exposure within a fast-moving operational environment, you should be able to demonstrate the professional credibility, management skills and interpersonal flair to build effective working relationships at all levels.

In return you can expect genuine prospects for career progression, along with a wide range of large company benefits, including non-contributory pension, BUPA and relocation expenses, where appropriate.

Write with full CV and daytime telephone number, to Patrick Donnelly, quoting ref: FT/071.

PD Consultants
MANAGEMENT SELECTION

314/316 Vauxhall Bridge Road, London SW1V 1AA. Tel: 071-828 2273.

Hanson PLC

Financial Comptroller

Hanson PLC requires an ambitious Financial Comptroller to join its small central management team based in London.

Hanson PLC is one of the foremost growth companies of the last two decades and is committed to a continuation of this growth both organically and by acquisition in the UK and the USA where half the group's businesses are located.

Many of the senior management positions in the group have been filled in the past from members of the central team and the position therefore offers enormous scope for an ambitious and energetic accountant.

The successful applicant, male or female, will be a chartered accountant, 30-35 with a good academic background and progressive experience in practice and industry.

A substantial salary will be paid and generous fringe benefits, including car, are available.

Applications should be made to:
The Financial Director, Hanson PLC,
1 Grosvenor Place, London SW1X 7JH

Chief Accountant

Northern Home Counties

c.£40K + car & share options etc.

Our client is a well-established and successful plc with turnover approaching £1 billion and an enviable growth and profit record. They are widely tipped to become one of the strongest performers in their industry sector in the 1990's and as a result of internal promotion a highly visible and challenging role now exists for a top calibre commercially aware Chief Accountant.

As a key member of the management team you will report to the Associate Director-Finance with responsibility for developing and implementing key strategies to achieve both Corporate and Divisional objectives as well as supporting the Group's excellent potential for on-going development.

In addition you will be expected to maintain tight financial controls and disciplines, assist in the preparation of the Finance Systems strategy and effectively manage a large finance team.

Ideally in your early-mid 30's you will be a qualified accountant preferably with a degree or MBA and must be able to demonstrate a proven record of achievement

in a large fast moving environment.

You must be highly motivated with strong leadership qualities and possess sound financial and technical ability, commercial acumen and first class interpersonal and presentation skills.

Benefits include a competitive salary, fully expensed quality car, share options, good pension scheme, health cover etc. Relocation assistance is also available where appropriate.

This is an outstanding opportunity with a rapidly expanding group with real career development potential.

Interested candidates should write in strict confidence

quoting ref: CA/985 to: Vinit Vedit,
Dirk Degenhart & Partners Limited,
Management Search & Selection,
Swan Centre, Fishers Lane, London W4 1RX.
Tel: 081-995 1331 (office hours)

081-560 5619 (evening & weekends 7-9pm)
Fax: 081-994 9288 (24 hours)

PQE	
<p>KENT c. £26,000</p> <p>Corporate Accountant</p> <p>Due to the decentralisation of the accounting functions of this major service PLC, this position is available and provides you with the opportunity to progress into general management. Varied duties include advising the area management team, preparing business plans, financial analysis and the control of capital/revenue expenditures. You will also be motivating staff and developing systems. Ref: 16328.</p> <p>Contact the PQE Specialist advising on this appointment at 081 770 0500 or the Manager at 104 The Broadway, Bexleyheath DA6 7DE 081 304 8211</p>	<p>SOUTH COAST to £35,000 with package</p> <p>Graduate Accountants</p> <p>Sought by international financial institution for leading roles in development and co-ordination of accounting policies worldwide. Gain experience in UK management and financial accounting, group consolidations and US reporting. Position offers promotional prospects within group headquarters and operating division. Benefits include relocation assistance, bonus, subsidised mortgage, profit share, non-contributory pension and private medical insurance. Ref: 86999</p> <p>Contact the PQE Specialist advising on this appointment at 0276 22232 or the Manager at 35/37 Church Street, Basingstoke, RG21 1CQ 0256 460 399</p>
<p>LONDON E1 to £25,000</p> <p>Management Accountant</p> <p>A limited company trading in commodities with a turnover in excess of £70 million, is currently seeking a newly qualified Accountant to head its accounts department. Reporting directly to the Financial Controller, duties will include the detailed preparation of management accounts and statutory accounts. The company offers good prospects for progression. Ref: 18027</p> <p>Contact the PQE Specialist advising on this appointment at 76 Cannon Street, EC4N 3AE 071 489 9997.</p>	<p>MIDDLESEX £30,000+car</p> <p>Finance Manager</p> <p>Self-starter with at least 4 years post-qualification experience required to provide an all-round financial and management accounting function for blue chip market-leader. Knowledge of computer systems, planning and analysis and the ability to influence and motivate other members of management team are essential. The immediate rewards are excellent, the future possibilities outstanding. Ref: 27F241</p> <p>Contact the PQE Specialist advising on this appointment at 0623 50350 or the Manager at 380 Chiswick High Road, W4 5TF 081 995 3601</p>
<p>WEST MANCHESTER c£22,000+ car</p> <p>Financial Controller</p> <p>This leisure subsidiary of a large PLC organisation requires a man-manager to take full control of an expanding accounts department. This is a varied role that covers systems development, budgeting, managing computer systems and providing accurate up-to-date management information. The benefits package includes profit share, BUPA and pension scheme. Ref: A1284</p> <p>Contact the PQE Specialist advising on this appointment at 33 Cross Street Manchester M2 1NL 061 634 6207.</p>	<p>LONDON CENTRAL c£27,000</p> <p>Accountant</p> <p>Blue chip oil company seeks a recently qualified Accountant to establish a rewarding career in taxation. This will initially involve UK corporation tax and petroleum revenue tax compliance including Inland Revenue negotiations. Role will extend to cover management advice on offshore and onshore UK tax aspects. Computer literacy and good communication skills necessary. Ref: 18025</p> <p>Contact the PQE Specialist advising on this appointment at 76 Cannon Street EC4N 3AE 071-489 9997</p>

CLIENTS!
When you entrust your vacancies to us,
we pay for the advertising.
Phone our PQE Specialists on 071-489 9997
(24 hour answering service)

REED...
accountancy

HEAD OF GROUP ACCOUNTING

C. LONDON
c.£40,000
+ Car + Benefits



This innovative plc has proved to be a major force within the field of publishing and communications. It has rapidly become a household named business with a T/O approaching £90M.

Such outstanding growth obviously has major implications on the demands for first rate financial and management information. These factors, combined with ambitious plans for further expansion have led to a need to appoint a talented accountant who can play a key role in the future development of the company.

As head of group accounting, you will assess the current systems and methodologies in place in all aspects of the finance department. You will be expected to act on your findings by streamlining procedures, injecting new refreshing ideas and continuing to enhance efficiency. The department should be readily available to handle future demands arising from the company's expansion.

Areas under your responsibility will include monthly reporting, statutory and treasury issues, day to day accounting and the motivation and guidance of a committed team in excess of 20. You will also liaise with other senior management and Directors as well as non-financial staff.

Candidate requirements are clear, a qualified accountant aged 30 to 40 with proven experience of running a buoyant finance department handling a high number of transactions.

Other essential qualities will include a diplomatic approach, the ability to train and motivate staff, a high level of business acumen and the desire to gain fast career progression based on results.

Interested candidates should write to: Michael Herst quoting MH825 enclosing a full curriculum vitae. Please reply by Monday 1st October, 1990.

HARRISON WILLIS
EXECUTIVE SEARCH & SELECTION

Cardinal House, 39/40 Albemarle Street, London W1X 3FD. Tel: 071-629 4463.

FINANCIAL DIRECTOR

Hainault, Essex (Nr M25)
To £35,000 per annum + Car

Well established ambitious Glass and Window Company seeks Financial Director to take overall responsibility for all accounting and financial functions. Computer experience essential. Turnover of Company £10,000 p.a.

Please apply with CV to:
FMCB Management Consultants Limited
Hathaway House, Popes Drive, Finchley, London N3 1QF
Tel: 081-346 6446 Fax: 081-349 3990
For the attention of: Mr Paul Collin

Appointments Advertising

Appears every Wednesday & Thursday (UK)
Friday (International Edition)
For further information, please call:

071-673 3000

Jennifer Hudson ext 3607
Richard Jones ext 3600
Georgina Harris ext 3301
Deane Harris ext 3199

SEP 21 1990

RATHBONE

PROJECT ACCOUNTANT - FINANCIAL CONTROL c.40K

A UK finance house require a Senior Project Accountant working with the front desk on all derivatives and Swaps and new products. The successful applicant should be a qualified accountant with at least two years experience within a financial institution. Excellent prospects and strong career progression.

"NEWLY QUALIFIED - CORPORATE FINANCE" c.30K

A UK merchant bank require a junior corporate finance executive to join their expanding team within the M & A and Capital Markets team.

As a Chartered Accountant within 1st time passes and a strong academic record this is an excellent opportunity to develop a career.

For a confidential discussion on the above, please contact Mike Jones on 071-867 8899.

"EUROPEAN CORPORATE FINANCE EXECUTIVE" c.45K

A leading UK based finance house require an experienced executive to specialise in European M & A. Ideally the successful applicant should have a legal or accounting background and be either French or Italian speaking. Extensive benefits and rewards.

NEW ISSUES/CORPORATE FINANCE

Coming from a Capital Markets background you will preferably have some form of legal qualification or be educated to degree level.

Your responsibilities will include negotiating and executing complex structured deals involving OTC, Options and invariably Swaps.

You will be involved in unique transactions involving private and public Eurobond issues/Unit Trusts and Asset Packaging.

Director of International Audit

Worldwide Entertainment Group

To £40,000 + Car + Bonus

Our client, a leading international entertainment organisation with a turnover approaching \$500m, has expanded rapidly in recent years. A dynamic management team coupled with innovative marketing strategies has been effective in producing accelerated organic growth, leading to substantial business opportunities globally. The company culture is both competitive and highly entrepreneurial.

Due to recent internal promotion, a vacancy has arisen for a Director of International Audit. Reporting directly to the Chief Financial Officer and managing a team of qualified accountants, the appointee will immediately assume overall responsibility for the planning, review and implementation of financial and operational controls world-wide. This will largely incorporate the management and co-ordination of organisational audit programmes, the review of operating subsidiaries and licensee agreements internationally, and special investigations into the viability and effectiveness of long term contracts and partnership arrangements.

This opportunity will appeal to a qualified accountant (aged 30-40) with a record of achievement to date, either within a commercial environment or public practice. An ability to both impartially assess organisational problems and liaise at all levels in a challenging environment, is a prerequisite.

The benefits include an attractive remuneration package together with fully expensed car and the potential to progress rapidly to senior management status.

For further information in strict confidence contact Brian Hamill on 071-287 6285 (evenings and weekends 071-627 4974). Alternatively, forward a brief resume to our London office quoting Ref: BH 644.

WALKER HAMILL

Financial Recruitment Consultants
29-30 Kingly Street London W1R 5LB Tel: 071 287 6285 Fax: 071 287 6270

LILLEY Finance Director Lilley Developments Limited

c £40,000 + Excellent Package

Nottingham

Outstanding opportunity for committed finance professional to contribute to the development of this rapidly expanding subsidiary of Lilley Plc.

THE COMPANY

- Profitable, fast growing subsidiary of high profile and successful construction group.
- Major interests in property development, design and build and broad based construction projects.
- Dynamic management team with well planned approach to business development and profitability.

THE POSITION

- Total responsibility for finance and administration function. Work closely with senior executive team, reporting to Managing Director.

- Maintain and improve financial controls to extracting group standards.
- Strong emphasis on developing relations with joint venture partners.

QUALIFICATIONS

- Qualified Accountant, graduate calibre, preferred age 30-45.
- Demonstrable success in senior finance position; property development essential, construction or house building desirable.
- Commercial flair with drive, determination and confidence; resourceful and highly motivated.

Please write, enclosing full cv, Ref GJ3770
78 St Vincent Street, Glasgow, G2 5UB



LONDON • 071-493 6392 • BIRMINGHAM • 021-233 4656 • MANCHESTER • 0625 539953
BRISTOL • 0272 308639 • SLOUGH • 0753 694844 • HONG KONG • (852) 5 217133

Financial Director

Property Group

Central London,

c £60,000, Car, Benefits

This is an outstanding opportunity to join a highly successful, privately-owned property group with a diverse development/investment portfolio spread throughout the UK. The group is in a strong position to continue its successful growth and development, despite current market conditions, both in the UK and overseas.

The requirement is for a high calibre Financial Director, with experience in the property sector, to assume full control of the accounting and financial functions. Reporting to the Group Managing Director, the Financial Director will be expected to make a significant contribution to the development and implementation of financial controls and reporting within the group. Managing a small accounting department, responsibilities encompass budgeting, forecasting, monthly/annual reporting and accounting, cash management and banking relationships.

The successful candidate, probably a graduate FCA aged over 35, will need to demonstrate excellent technical and communications skills, strong commercial awareness and the presence and personality to liaise at the highest levels both within the group and with third parties.

The remuneration package is excellent and includes a performance related bonus and a full range of benefits.

Male or female candidates should submit in confidence a comprehensive c.v. or telephone for a Personal History Form to: L.D. Hadi, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, W1R 9WB. 071-734 6852, Fax: 071-734 3738, quoting Ref: H29028/FT.

Hoggett Bowers

BIRMINGHAM, BRISTOL, CAMBRIDGE, CARDIFF, EDINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, ST ALBANS, SHEFFIELD, WINDSOR and EUROPE

FINANCE DIRECTOR

West of Scotland Large scale engineering contracts First class remuneration package

This leading engineering contractor has earned its enviable reputation through a combination of sound commercial judgement and engineering excellence. In preparation for the next stage of business expansion, the company now wishes to strengthen its executive team by appointing a Finance Director to take overall control of the finance function and address the key issues affecting a growing organisation.

With a highly experienced staff of 26 operating sophisticated accounting and management information systems, your role will be to keep the Board fully informed of the financial effect of current and proposed business and of growth opportunities including possible acquisitions. The position also has a significant international dimension and requires involvement in constructing secure funding packages

for foreign contracts; accounting for multi-currency operations and UK and international taxation.

Aged 35-45 and a qualified accountant, you will have a depth and breadth of contracting experience, ideally gained in a construction or engineering environment.

Your excellent interpersonal and communication skills will be combined with the personal drive and commitment to make a major contribution to achieving demanding growth objectives.

The remuneration package has been designed to attract candidates of the highest calibre and the position offers an outstanding opportunity for further career development with this highly successful subsidiary of a major international group.

To apply, please send your detailed CV stating current salary to David Burgen quoting Ref. 4457/FT or telephone his secretary for an application form. PA Consulting Group, Number Two Blythswood Square, Glasgow G2 4AD. Tel: 041-221 3954. No details will be divulged to our client without the candidates' consent.

PA Consulting Group

Creating Business Advantage

Executive Recruitment • Human Resource Consultancy • Advertising and Communications

Financial Controller

High profile commercial role with the emphasis on change and development

North London

c.£30,000 + car + benefits

Our client is a member of the Asea Brown Boveri Group. This UK subsidiary has a turnover of £12m and an excellent reputation in the Building and Service Maintenance Industry. Recent acquisitions and organic growth will enable it to become the market leader.

The Financial Controller will report to and work closely with the Managing Director. In this highly visible role you will be totally responsible for the Financial Management of the Company and have the freedom to develop appropriate management information systems and to inject new ideas and thinking into the Company's financial strategy and planning. You will also be responsible for broadening the role to encompass company secretarial issues.

You should have a degree and be a qualified accountant with management experience, ideally gained in a

professionally managed service environment. Your in-depth knowledge of computerised accounting systems must be complemented with the ability, flair and commitment to make a significant contribution to both the commercial and financial management of the Company.

If you're ambitious and proactive, this position offers an exciting career move with the opportunity to develop beyond the immediate role.

Please write in confidence with career details to our consultant, Richard Simpson, quoting ref: 37521, MSL International (UK) Ltd, Pilgrim House, 2/6 William Street, Windsor, Berkshire SL4 0BA. Telephone: (0753) 842044.

MSL International

Finance Director

West Sussex

£45k Package + Car + Benefits

Our Client is the acknowledged leader in a rapidly expanding niche service market, currently experiencing c30% growth. This provides a strong basis for continued expansion and increased profitability.

Working closely with other members of the Board, the position of Finance Director carries full responsibility for strategic development, and control of all finance issues via an experienced accounts department. This is a truly commercial role and, whilst technical competence is assumed, business acumen must be clearly demonstrable.

The candidate we seek will be a qualified accountant with proven

commercial skills gained at the sharp end of a competitive dynamic business. Confidence to negotiate on the company's behalf with professionals from various disciplines, together with excellent interpersonal and managerial skills are prerequisite to this appointment.

Interested, ambitious candidates, aged over 30 should forward a comprehensive curriculum vitae quoting reference 901 to Diane Forrester ACA, Michael Page Finance, Executive Division, Page House, 39-41 Parker Street, London WC2B 5LH, telephone 071-831 2000.



Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Brewer Morris Pure Taxation Recruitment

SENIOR TAX ADVISER

Package Indicator c£50,000

For further information contacts

Gavin Burgess

on (071) 936 2040

Brewer Morris, Ludgate

House, 107 Fleet Street,

London EC4A 2AB.

Evenings & Weekends:

(081) 469 2213

Our client is a highly respected, blue-chip U.S. investment banking firm, with a truly global presence and considerable influence in all sectors of the industry.

The UK and European tax function based in London is considered to be one of the most pro-active and respected tax teams within the investment community. Recent internal restructuring has generated the need to appoint a Senior Tax Adviser.

Reporting to the Director of Tax, key elements of the role include the development of tax related financial instruments for the firm's product areas, international and local tax planning and some involvement in overseeing tax compliance work.

Suitable candidates will be senior taxation professionals, with either a legal or qualified accounting background and at least 3 years post-qualification relevant tax experience. Dealing at the highest levels within the firm, the candidate will need to combine intellect with creativity; and assertiveness with a high degree of tact and maturity.

The package available is highly competitive including a substantial performance related bonus.

Treasurers

London

£40-60,000 + Car

Major firm of accountants require graduate calibre candidates with corporate treasury or banking experience to join their treasury management consultancy division. Salary will be commensurate with experience. Age indicator 30-40.

London

£45,000 + Car

Major UK Group seeks Project Finance Executive with previous experience of raising funds for consortiums and leasing structures. Candidates should have commercial acumen and some international travel will be necessary.

Home Counties

£35,000 + Car

Multinational Group seeks Assistant Group Treasurer with responsibilities for financial management, bank relationships and special projects. Age 26-32. Good career prospects.

City

£30,000 + Substantial Bonus

Financial services Group seeks graduate with credit and risk management experience.

West of London

£28,000 + Car

UK plc, to £3 Bn wish to recruit qualified accountant seeking two years treasury experience to report to Group Treasurer. Proven success will lead to promotion within Group.

West End

£22,000

Excellent opportunity for part qualified accountant to join the treasury function of this UK Group with £5 Bn.

Please telephone or write enclosing full curriculum vitae quoting ref 433 to: Nigel Hopkins FCA, 97 Jermy Street, London SW1Y 6JE Tel: 071-839 4572 Fax: 071-925 2335

Cartwright Hopkins

FINANCIAL SELECTION AND SEARCH

Glaxo
Pharmaceuticals UK Limited

**FINANCIAL
SYSTEMS
MANAGEMENT**

West of London

£30,000

Car & Benefits

With sales of £2.6 billion and pre-tax profits in excess of £1 billion, Glaxo is one of the UK's Top Ten companies and a world leader in ethical pharmaceuticals.

Glaxo Pharmaceuticals UK Ltd, the Group's UK sales, marketing and manufacturing company, currently based in Greenford, will be moving shortly to prestigious new offices at Stockley Park in Middlesex. The Company is investing heavily in sophisticated fully integrated financial and management information systems. As part of a small team, your role will be to ensure that their full potential is realised and that the company remains at the leading edge of systems technology. This will involve devising systems strategies, setting systems development plans, and managing their implementation. You will be assisted by experienced systems analysts and programmers in the technical aspect of development.

This high profile role will give you the opportunity to make a significant contribution at an early stage and provide

an excellent springboard from which to develop your career with Glaxo.

You will be a qualified accountant, preferably a graduate aged 24 to 28, with strong analytical skills and an aptitude for problem solving. Previous systems development experience would be useful but is not a prerequisite. You may be with a multinational company or this could be your first move from a major firm of accountants. The desire and ability to progress quickly in a fast-moving environment is essential.

To learn more about joining one of the UK's most successful companies please write to Sue Rossiter, Director, Barrett Webb Limited, Boston Road, Henley-on-Thames, Oxon, RG9 1DY, or fax her on (0491) 579825. For an informal preliminary discussion please telephone (0491) 410766. Complete discretion is of course assured.

Barrett Webb
Search & Selection

Project Accountant

£30,000 + Car + Discretionary Bonus

The London International Financial Futures Exchange has experienced rapid expansion since its inauguration in 1982 with current trading volumes currently averaging in excess of 130,000 per day. This continued growth has necessitated the development of prestigious new premises in Cannon Street.

The newly created role of Project Accountant will take initial responsibility for the financial control of the £25 million, 18 month project. This will involve budget preparation, monitoring expenditure and close liaison with the non-accounting professionals involved. There will be a high degree of autonomy although working within a young and bright management accounting section.

The successful candidate will be 25-30 years of age with a professional accounting qualification. A proven track record within a commercial environment and familiarisation with spreadsheet applications is important. You will need the confidence and communications skills to make presentations to senior management.

This high profile role will provide an excellent stepping stone into senior management within the City which is anticipated to lead to challenging career opportunities following successful completion of the project.

Interested candidates should write to Andrew Norton at Michael Page Finance, 39-41 Parker Street, London WC2B 5LH or phone him on 071-831 2000.

Michael Page Finance

International Recruitment Consultants
London Bristol Windsor St Albans Leatherhead Birmingham Nottingham
Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

Central role at PLC HQ

GROUP FINANCIAL ACCOUNTANT

London W1

£35,000 + car

Having a turnover exceeding £200m derived from a broad range of manufacturing interests our client has recently decided to strengthen further its finance function.

Within this dynamic environment a need has been recognised for a Chartered Accountant with sound practical and technical ability. As part of a small head office team you will work closely with the Board in the provision of statutory and management information and with the operating divisions in the direction of their businesses. There will be an opportunity in the short term to specialise or develop expertise in one or more key areas such as planning, treasury or systems.

Aged 28-33, post-qualifying experience will include the use of reporting, consolidation and analytical skills gained in a sophisticated, quoted group where presentational talents are important.

The role will develop further and offers attractive career opportunities to individuals with drive and ambition.

Please write, enclosing a career/salary history and daytime telephone number, to John Sleigh FCCA quoting reference J/945/F.

FINANCE DIRECTOR

W. Sussex

£40-45,000 + Car + Bonus

This established market leader, providing high quality and innovative products to the building services sector, was recently acquired by a major UK plc. Although the company has a strong business base, with sales of £26 million, the company has suffered from weak financial management and poor operational controls.

As a senior member of the executive board, the Finance Director, in addition to being fully responsible for the finance and company secretarial functions, will also play a key role in the operational and strategic management of the company, using a hands-on style.

Candidates will be qualified accountants who possess strong commercial, interpersonal and management skills. Although individuals are likely to be aged 35-45, experience and ability are the most important factors. Early availability would also be an advantage. Remuneration is excellent and includes a fully expensed executive car, good bonus, pension, medical and a service contract.

Interested candidates should either write to or call David Rush at AMS.

Please call or write to
DAVID RUSH
on 071-405 4571
Eves & W end 081-467 6822

AMS

**APPLIED MANAGEMENT
SCIENCES LIMITED**
29-38 Bedford Row London WC1R 4HS
Facsimile 071-242 1411

Appointments Advertising appears every
Wednesday, Thursday

& Friday
(International Edition only)

AUDIT MANAGER

Kent

£30,000 + Car

Our client, one of the most successful and profitable companies in its industry, with a projected turnover of £200 million in 1991, have firmly established themselves as market leaders. The company now seeks to further expand their UK activities and are set to actively exploit the new business opportunities that exist within Europe. In order to achieve these goals they have recently restructured the business, and this has resulted in the need to recruit a commercially aware Audit Manager.

Reporting to the Finance Director, and liaising closely with financial and operational managers, this is a highly visible role responsible for reviewing both new and existing businesses. This will include; improving the financial, management and operational controls, particularly focusing on areas of major risk, implementing new systems and identifying opportunities for improving efficiency.

Candidates are likely to be aged 30-45 and will have excellent internal audit experience within a commercial or industrial organisation. Individuals must also be confident, diplomatic and possess strong interpersonal and communication skills.

Interested candidates should either write to, or call David Rush at AMS.

Please call or write to
DAVID RUSH
on 071-405 4571
Eves & W end 081-467 6822

AMS

**APPLIED MANAGEMENT
SCIENCES LIMITED**
29-38 Bedford Row London WC1R 4HS
Facsimile 071-242 1411

Move into Management Consultancy

Central London

To £40,000 + Car

Since its launch in 1988 our client, a growing firm of Management Consultants, has successfully developed a varied blue chip client base.

They currently seek to recruit a qualified accountant, aged 25-35 to work within their financial systems team. The post will involve the specification, selection and implementation of computerised financial systems. Initially you will be part of a small team working with clients at all levels. New members are quickly given responsibility for handling major assignments.

The successful candidate will have some experience of one or more of the major accounting packages and the ability to assist in the future development of the firm's business.

In return for your commitment we offer a highly competitive salary package, car, bonus, pension scheme etc. To apply please contact Lee Acton, Senior Consultant on 071-233 5204 or fax your c.v. to him on 071-233 6971.

JPMIS
RECRUITMENT
CONSULTANTS

JPMIS Recruitment Consultants
3 Catherine Place
Westminster London SW1E 6DX
Telephone: 071-233 5204
Facsimile: 071-233 6971

European Corporate Audit

Major U.S. Multinational offers career opportunities to newly/recently qualified accountants wishing to gain European experience.

LONDON

Or other major
European City
location

Excellent
Salary

This U.S. Multinational is a technology-based company supplying advanced electronics products and services to industry and commerce. With worldwide revenues in excess of \$5 billion it operates in the USA, Canada and Europe. There is now a requirement for individuals who are interested in developing an international career within this diverse group.

You will be working in a small, closely-knit but high profile group reporting directly to top management in the U.S. Assignments will include financial audits, analysis of operational procedures and controls together with ad hoc assignments. This will involve extensive travel in Western Europe with return visits to your home base at weekends.

Candidates must be professionally qualified accountants or equivalent with experience gained within a large firm of practising accountants. They must be capable of working autonomously and they should have some aptitude for languages although language training will be provided.

This position offers an excellent stepping stone into Europe for a newly qualified accountant with the opportunity to work throughout Europe. It should be considered as a more rewarding alternative for someone already thinking of transferring to a large practising firm in Europe. You will be working with professional colleagues in a congenial atmosphere. The excellent salary offered allows capital accumulation. You will be based in London or in any other major European city of your choice.

Interested candidates should write in confidence to: Nicholson International (recruitment consultants), Imperial Buildings, 48/56 Kingsway, London WC2B 6DX quoting reference 9128 or fax details on 071 404 8128 or contact Koen Breken on 071 404 5501

n

**NICHOLSON
INTERNATIONAL**

FINANCIAL DIRECTORS

To secure the best appointments at senior level needs more than good advice, accurate career objectives and succinct presentation. InterExec not only provides career advice to successful executives but also retains the unique facility of our subsidiary company InterMex to bridge the critical gap between counselling and the right job. InterMex maintains a unique data base which comprises 6,000 unadvertised vacancies per annum, providing the only confidential placement service.



InterExec is a subsidiary of InterExec Plc and is not an independent company.

SENIOR FINANCIAL MANAGERS

CAREER CHOICE

The Financial Times proposes to publish a Survey on the above on 17th October 1990

For a full editorial synopsis and advertisement details, please contact Penny Robertson on 071-873 3316 or write to her at:

Number One Southwark Bridge,
London SE1 9HL

JPMIS

Financial Director

to £40,000, Car, Benefits

N Midlands

This is a new appointment providing a close working relationship with the opportunistic Chairman as he progresses his expansion plans in both the UK and mainland Europe. Current turnover is £12 million, there is a strong customer base and the company enjoys the backing of major institutions.

Quality management information is essential in any business development programme and it will be a prime responsibility of the Financial Director to review and enhance the present computer based systems. The analysis of business opportunities will be an ongoing challenge requiring strategic thinking, detailed analysis, sound judgement and application.

Candidates must be qualified, probably from the profession, and will ideally speak some German. A dedication to achieving excellence in the finance function and a track record demonstrating a significant contribution to a successful manufacturing company is expected. Increasing general management responsibility and equity are real prospects given performance in this demanding role.

Candidates should send a comprehensive c.v. or telephone for an application form to: **Howgate Sable & Partners, Arkwright House, Parsonage Gardens, Manchester, M3 2LE.** Tel: 061-839 2000 quoting reference (F.TS94F).

Howgate Sable

EXECUTIVE SEARCH AND SELECTION

Appointments Advertising

appears every
**Wednesday & Thursday
Friday**
(International Edition only)

For further information please call:

Jennifer Hudson
071-873 3607

FINANCIAL TIMES

Group Financial Controller

c£35,000 + Package
London

Film/Video Processing
and Post Production

Our client is a well established company specialising in all aspects of film and video processing. From their locations in Soho they are able to offer a range of services to clients in the film, TV and video industry ranging from film processing, video duplication and video post production, to the hire and sales of film and video equipment.

Although set up some 50 years ago, the company is currently undergoing a period of reorganisation and consequently needs to recruit a Group Financial Controller to join the new management team. After this restructuring phase, the company intends to grow both organically and by acquisition.

The Group Financial Controller will report to and work closely with the Managing Director and will therefore be involved in all aspects of commercial decision making. Specific duties will involve the

production of financial and management accounting information, systems design and implementation and review of capital expenditure proposals as well as supervising the accounts team. Candidates should be qualified accountants with a minimum of two years' commercial experience. The ideal candidate will be a highly motivated self-starter and be commercially minded with the ability to communicate at all levels. Candidates should also have a confident and dynamic style, coupled with a pro-active approach to problem solving and the ability to develop beyond the immediate role.

A salary of around £35,000 is offered, together with a bonus, company car, pension, private health care and five weeks' holiday.

Please write, in confidence, to Sean Connolly at the address below, quoting reference SHC.1502.

STOY HAYWARD CONSULTING

8 Baker Street, London W1M 1DA Fax: 071 487 3686 A member of Horwath International

INTERNAL CONSULTANT

New proactive role with
progressive UK Group

South
Yorkshire

£30k + bonus
+ car + bens.

An active policy of strategic growth has enabled our client to develop from a strong core activity into new business sectors, making it a major player in the provision of services to industry. This philosophy, together with a commitment to the highest standards of quality and customer service, is reflected in its excellent profit growth record and turnover approaching £100m.

For this new senior management appointment, reporting directly to the Financial Director, a positive approach is required to meet the challenge of a high-profile role. Your initial brief will be to develop an appropriate strategy and methodology. Your small team will undertake a critical appraisal of organisational performance, making recommendations that will enable the Group to further improve operational efficiency and setting standards of best practice throughout all areas of the business.

You will be a qualified Accountant or MBA, commercially astute, with the enthusiasm and determination to excel in this demanding role. A degree of personal mobility will be required, primarily in the North and Midlands. For the right candidate prospects for progression, particularly into general management, are excellent.

To apply, please contact Jackie Hardisty at our Leeds office.

Ref LD266.

ASB

ASB RECRUITMENT LTD

Quebec House, Quebec Street,
Leeds LS1 2HA. Tel: 0532-446611
Fax: 0532 446140

Also at: Birmingham, Liverpool, Manchester
and Nottingham

A Division of ASB Barnett Manning Plc

Group Accountant Publishing

London SW1 £33,000 + car

Our client, a well respected and profitable publishing group, is looking to recruit a young, qualified accountant to the newly created position of Group Accountant.

Reporting to the Group Financial Director, the role will take responsibility for the Group's financial accounting and management information activities on a daily basis and ensure that accounting and computing policy is implemented to provide a cost effective service for the Group.

The Group is situated in newly refurbished prestigious offices within easy reach of Victoria and Vauxhall main line and underground stations.

Applicants for the position should be qualified financial accountants with a minimum of three years post qualification experience and who are looking to make a positive contribution in, what may be, their first commercial role. Familiarity with modern computing techniques is essential and candidates should be able to demonstrate a commercially orientated and progressive career development path to date.

Interested applicants should send a comprehensive curriculum vitae with salary details, a daytime telephone number and quoting reference 6117/45 to:

Jeff Cottrell, Senior Consultant
Pannell Kerr Forster Associates
New Garden House
78 Hatton Garden
London EC1N 8JA

Pannell Kerr Forster Associates

MANAGEMENT CONSULTANTS

FINANCIAL CONTROLLER Malawi

Applications are invited from suitably qualified and experienced persons for a long established organisation.

The person appointed will take overall control of the finances and financial planning, and the administration of the Finance Department including the training of staff.

Applicants must be qualified Accountants with either ACA, ACCA or ICMA plus extensive experience of not less than 5 years in a senior position.

The successful candidate will be expected to be highly motivated and preferably have the ability to develop the computerised accounting systems now in operation. Effective communication skills are indispensable for this challenging position.

The commencing salary will be commensurate with qualifications and experience. In addition to a tax-free starting salary, a 25% gratuity is payable at the end of the 2-year contract period. Benefits include free passages, education allowance, subsidised housing, and a company car.

Applications giving full curriculum vitae and names of at least two referees should be sent to: **KPMG Peat Marwick, P.O. Box 308, Blantyre, Malawi.** Fax: (265) 620575. (Ref. ET/FS/LWB).

To arrive not later than 10th October, 1990.
Applications from short-listed candidates only will be acknowledged.

Common Fund for Commodities,
seeks candidates to fill the following posts:

LEGAL ADVISOR/SPECIAL ASSISTANT TO MANAGING DIRECTOR at P3 Level

Under the direct authority of the Managing Director, this officer will perform the following duties:

- Providing legal advice to the Managing Director and to the various units in the secretariat on matters concerning international law as well as commercial and administrative law;
- Providing legal advice to the meetings of the governing bodies of the Fund, inter alia, on the interpretation of the Agreement Establishing the Fund and related international agreements and decisions;
- Acting as Conference Secretary to the meetings of the governing bodies of the Fund and in this capacity supervise the preparation, translation and distribution of the relevant documents, and assisting the Chairman during the meeting;
- Advising on legal aspects and, when necessary actively participating in the preparation, negotiation and execution and follow-up of loan, credit and other agreements and contracts by the Fund;
- Acting as Special Assistant to the Managing Director;
- Preparing of reports, fact sheets, news letters and other information material.

Qualification/experience: Advanced university degree in Law plus 16 years professional experience.

TREASURY OFFICER at P4 LEVEL

Under the supervision of the Chief Finance Officer, this officer will be responsible for:

- Effecting the payment of disbursements approved by the Accountant from the Fund's liquid-resources by issuing cheques or authorizing bank transfers;
- Analysing balance sheets of financial institutions;
- Assisting the Chief Finance Officer with analysis of economic and financial data to ensure optimum investment decision;
- Obtaining quotations, analysing investment proposals and making recommendations to the Chief Finance Officer;
- Co-ordinating the collection and follow-up of subscriptions/contributions from Member countries;
- Assisting the Chief Finance Officer in the preparation of periodic reports on investments for the governing bodies;
- Other related duties as required.

Qualifications/experience: Advanced university degree in accounting, finance, business administration, banking, commerce, economics or equivalent professional qualifications, plus 8 to 10 years professional experience.

INTERNAL AUDITOR at P3 Level

Directly responsible to the Managing Director, the Internal Auditor will perform the following duties:

- Preparing and implementing the Fund's annual audit programme;
- Reviewing, evaluating and reporting on the soundness adequacy and application of systems, procedures and related internal controls of the Fund;
- Preparing reports and observations for the Fund's staff;
- Preparing yearly documents for the perusal of the External Auditors;
- Other related duties as required.

Qualifications/experience: Advanced university degree in accounting, finance, business administration, banking, commerce, economics or equivalent professional qualifications, plus 5 to 8 years professional experience.

ASSISTANT PROJECT OFFICER at P3 Level

Under the supervision of the Chief Operations Officer, the main responsibility of this officer will be:

- Preparation of draft project, loan and guarantee agreements;
- Financial projections of Second Account activities;
- Preparation of summaries of project proposals and reports for submission to the Executive Board and the Consultative Committee.

Qualifications/experience: Practical experience in project preparation and administration. Advanced university degree in economics, law, social sciences or finance plus 8 years professional experience.

Fluency in English; working knowledge of other United Nations official languages (Arabic, Chinese, French, Russian or Spanish an asset for all above posts and working knowledge of French and/or Spanish highly desirable for post of Legal Advisor/Special Assistant.

Qualified women are encouraged to apply.

Deadline for Applications: 1 November 1990

Likely Assumption Date: As from 1 March 1991 for all above posts and early 1991 for post of Legal Advisor/Special Assistant.

The Common Fund for Commodities, as an international financial institution, offers competitive international salaries, benefits and allowances, comparable to the United Nations salary scales. Initial contract for two years.

All applications in English accompanied by detailed curricula vitae, including date of birth and nationality to:

Managing Director, Common Fund for Commodities, Atrium, Stravinskyaan 3097, 1077 2X Amsterdam The Netherlands. Fax Number: (020) 441285.

Due to expected volume of applications to be received, only finalists will be contacted for interviews.

DIVISIONAL FINANCIAL CONTROLLER

Greater
Manchester

c. £30,000, car
+ benefits

The BODDINGTON Group plc

The Hotel and Restaurant Division is a key division of The Boddington Group Plc. It is profitable, has a turnover of £35 million and has ambitious plans for continued organic and acquisitive growth. It seeks a Divisional Financial Controller to manage the finance team and support an entrepreneurial Divisional Board in ensuring ongoing profitable development.

The Role

- Motivate and direct finance function.
- Enhance systems and reporting procedures.
- Report to Divisional Finance Director.

Qualifications

- Graduate. Qualified accountant. Preferably ACA. Late 20's/early 30's.
- Mature. Commercially aware. Promotable.
- Previous experience in retail/leisure multi-site operations with strong financial disciplines desirable.

Please reply in writing enclosing full cv. ref M477

ASB

ASB RECRUITMENT LTD.

Amethyst House, Spring Gardens
Manchester M2 1EA. Tel: 061-834 0618
Fax: 061-632 9123

Also at: Birmingham, Leeds and Liverpool

A Division of ASB Barnett Manning Plc.

Silcock Express

GROUP ACCOUNTANT

Essex

c£28,000 + Car

Silcock Express Holdings is a renowned market leader within specialist distribution, a position attained by continual innovation and commitment to customer service, employing 1700 persons and a turnover in excess of £100 million.

The Company is currently integrating its European operations and is looking to recruit a young qualified Chartered Accountant to strengthen the committed senior management team.

Reporting directly to the Group Managing Director, the successful candidate will have specific responsibility for the provision of group financial and management accounts, group treasury and taxation and actively assist the operating subsidiaries in the direction of their business.

Applicants should possess the confidence, interpersonal skills and commercial awareness to perform effectively at senior management level within a competitive and customer led environment. A working knowledge of French or Spanish would be a distinct advantage.

The career prospects and rewards are excellent for the right candidate, with the opportunity to move into a line management role. Salary is negotiable c£28,000 + car and benefits package. Please telephone or write in confidence to Pamela Jones at George Henderson & Partners, The Marlborough Rooms, 68 High Street, Weybridge, Surrey KT13 8BL. Tel: (0932) 858438. Fax: (0932) 855814.

GEORGE HENDERSON & PARTNERS

Executive Search & Selection

London

Manchester

GROUP FINANCIAL CONTROLLER LONDON £42,500 Package + Car

My client, a recognised market leader in the engineering and manufacturing industries, can boast a consistent record of achievements since its inauguration some fifty years ago. The organisation now wish to capitalise upon this success through an aggressive development programme combining a strategy of acquisition with the concentrated growth of its organic businesses.

An integral aspect of the group's future planning is the appointment of a dynamic, qualified Accountant (preferably Chartered) to control and direct the corporate finance function. Reporting to the Managing Director, initial responsibilities will include the upgrading of the computerised accounting system, the creation of improved financial controls and reporting procedures and the provision of a comprehensive service to the main board.

As Company Secretary and a prominent member of the executive decision making team, you will be required to make a positive contribution to the overall direction and running of the company as it develops further new markets.

As a proven man-manager, you will also co-ordinate and overview the accounting operations of the U.K. and the group's various overseas subsidiaries.

Initiative and the willingness to undertake international travel of equal importance.

This position will appeal to high calibre professionals who will relish the rewards of progressing to a lead role. The salary, bonus and car reflect the importance the organisation attaches to this key appointment.

For further information please contact Mark Stewart, Caswell Abbott Executive Search and Selection, 201 Victoria Street, London, SW1E 5NE, telephone number 071 834 5744.

Caswell Abbott

Executive Search & Selection

REGIONAL ACCOUNTANTS

Key roles in the day-to-day management of a business

C. £28K + CAR
TWO APPOINTMENTS:
AYLESFORD (KENT) AND WELWYN GARDEN CITY

Safeway plc, part of the Argyll Group, is a rapidly growing and highly successful leading food retailer, with group sales of £4.1bn and profits of £228m. Over the last 4 years Safeway has more than doubled its sales and almost quadrupled its profits.

The role of Regional Accountant has been created to add a new dimension to each of our six regional teams. It will play a particularly vital part in the development and monitoring of the Business Action Plan, systems and management reporting.

Responsible to the Regional Director, your brief will range through the evaluation and justification of major capital and revenue projects; the monitoring and reporting of regional performance; the design and implementation of performance monitoring systems; the identification and exploitation of short and medium term profit opportunities and the management of the Regional Office.

You will be a qualified Accountant, with at least a 2-year track record in a similar-sized business environment. As a result, you will have gained considerable 'inside' experience of administrative and operational procedures within a devolved industry.

This is an exceptional opportunity for an astute professional who enjoys the front-line of business management and wants to be in a position which can influence regional strategy. Career prospects are excellent and so are the rewards.

Please write with cv to: Cathy Mercer, Personnel Manager, Safeway plc, Safeway House, 6 Millington Road, Hayes, Middlesex UB3 4AY. Tel: 081-756 2174.



FINANCIAL CONTROLLER

£29,000

Car

C. London



ROBERT WALTERS

Our Client, a small but progressive division of a major advertising Group, seeks to strengthen their head office finance team.

Reporting to the M.D. of the division, you will be fully responsible for the production of financial information for the company. In addition you will advise Directors and Senior Managers on the financial implications of their actions and improve the reporting on individual projects.

Aged 25-30 and a qualified Accountant with 1-2 years' PQE within a commercial environment, your experience should encompass both management and financial accounting and the use of computerised systems. A good communicator and self motivated, you should possess a practical approach to problem solving.

Please apply directly to Penny Ridgell at Robert Half, Freshport, Waller House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 071-836 3545 or evenings on 081-853 4009. Alternatively, fax your details on 071-836 4942.

Financial Recruitment Specialists
London • Birmingham • Windsor • Manchester • Bristol
Leeds • Southampton • Brussels • USA • Canada

Shandwick

GROUP AUDIT MANAGER

c. £45,000 AND USUAL BENEFITS.

Shandwick plc is the world's leading public relations group, with extensive operations in the UK, Europe, North America and the Far East. This new appointment arises from the Group's rapid and successful growth.

Reporting to the Group Chairman, the Group Audit Manager will be responsible for ensuring that the systems of internal control, as laid down by the Group, are maintained throughout the world. Based in London, considerable international travel may be required. Career opportunities are excellent.

Candidates, probably aged between 30-35, must be qualified accountants with internal and management auditing experience in an international Group. The successful candidate will be self-motivated and have the ability to deal sensitively but firmly with all levels of management. A second degree/MBA and language ability would be useful.

Please send full career details - in confidence - to
Clive Ward, Shandwick plc, 61 Grosvenor Street, London W1X 9DA.

DIVISIONAL ACCOUNTANT

KNITWEAR DIVISION

£32,000 + 2 litre Car + Benefits

Alfreton - Derbyshire

We are part of the Remploy group, a major UK employer boasting a turnover in excess of £100m, with many market leaders. Already a major player in the export field and actively seeking to increase our market share and profitability, we are looking for a Qualified Accountant, who reflects our progressive attitude, to help our business grow.

Your track record in MANUFACTURING must include ACTIVE PARTICIPATION IN THE DEVELOPMENT OF THE BUSINESS as well as using main frame and micro-computer systems to elicit management information.

You will have excellent interpersonal skills and be able to exhibit the type of team involvement we must have to continue to grow successfully.

Reporting to the Divisional Manager, you will be responsible for the management of the Central Accounting function for 10 factories (Scotland and Midlands).

We offer career development and a rare challenge to the right applicant. Additional benefits include private health plan and company pension.

Please write with current G.V. to:-

Area Personnel Manager, Remploy Limited,
Bramall Lane, Sheffield S2 4RA.



We are an equal opportunities employer

PARLEZ-VOUS FRANCAIS?

Our client is a rapidly expanding hi-tech group, based in the UK, who urgently requires an ACCOUNTANT to manage the finances of two of its fledgling subsidiaries in PARIS.

As well as ensuring the prompt production of the monthly accounting and management information package, the successful applicant will be responsible for the preparation of cash flows and budgets, safe custody of inventories and the design and implementation of systems.

Fluent French and a knowledge of French accounting principles are essential. Previous experience of working in France is desirable.

If you are interested in this excellent career opportunity, then please write, in the first instance, to David Staddon, RA Advertising, Ames House, Kings Cross Lane, South Nuffield, Redhill, Surrey RH1 5NG



Consider the prospects ...
... realise your full potential
and enrich
your quality of life

Occidental Petroleum (Caledonia) Limited is currently engaged in its most active period since the Company's North Sea operations began almost 20 years ago. Part of the multi-national Occidental Group, Oxy manages the operation of the Claymore and Scapa fields and the Flotta terminal, as well as the Piper B and Saitre

Field development projects, due on-stream in the next 2 years.

In recognition of this intensified activity, Oxy is moving its UK oil and gas headquarters from London to Aberdeen, creating two management positions in our newly structured Financial Planning and Analysis department.

Manager — Economic Evaluation & Budgets

CIRCA £35,000

Managing the operation of the Economic Analysis Section, consisting of 4 Analysts, you would report the Section's findings to Management, advising on the economic implications of proposed activities. You would also prepare information required for Oxy's UK and US financial statements and compile cases to assist management in negotiations with potential UK tariff opportunities. In addition, you would co-ordinate the preparation of budgets for all Oxy operated licenses and would ensure that capital and project costs of exploration, new developments and existing

operations are properly budgeted, approved and funded and included in internal plans and forecasts.

A qualified accountant with a degree in Economics, Business Studies or Engineering, you will have between 5 and 10 years' experience in oil industry joint venture accounting, budgeting and economic and financial analysis and UK taxation including several years at a supervisory level. A working knowledge of PC based spreadsheets and mainframe database systems is required. Excellent communication skills are essential. (Ref MEEB)

Supervisor — Financial Analysis

CIRCA £30,000

Overseeing a team of three Financial Analysts, you would initiate the analysis of operating results, exposures and events and report the findings of these analyses to Management, for use in decision making and financial reporting. In addition to the evaluation of regular results you would deal with unstructured situations as they arise, identifying and interpreting the commercial implications for the company.

A qualified accountant, preferably

educated to degree level, you will have a minimum of 5 years' post-qualified experience in a multi-national organisation, ideally oil related. Familiarity with US accounting and reporting requirements is necessary as well as thorough knowledge of UK North Sea Tax principles. You will have experience of working in a supervisory capacity and have excellent communication and presentation skills. (Ref SFA)

An excellent remuneration package is offered for each of these posts including contributory pension scheme, life assurance, BUPA, and sports and social club. A Company car may also be provided for some posts.

Our package also includes generous relocation assistance which comprises temporary living expenses, payment of surveyor's and legal fees, removal expenses, disturbance allowance and home sales assistance.

In parallel with your working environment, the quality of life which Aberdeen and the surrounding area can offer is exceptional.

Please write, with full CV, quoting reference number, to:

Human Resources Dept,
Occidental Petroleum (Caledonia) Limited,
1 Claymore Drive, Bridge of Don,
Aberdeen AB23 8GD.

North East coastline — South of Cruden Bay, Aberdeenshire.



FINANCE DIRECTOR

Hertfordshire

Aged 32 - 38

£40,000 + Car + Bonus

This young UK subsidiary of an established international group has grown rapidly within the highly competitive field of specialist consulting. With a client base ranging from large corporations to small dynamic companies, our client is committed to strengthen its position for future growth.

In order to meet this aim we are seeking a Finance Director to complement the management team. Reporting to the Managing Director, you will be required to co-ordinate and proactively manage the finance function, and be able to give strategic input to business direction.

Specific responsibilities will include strict financial reporting, budgeting and planning, treasury management, systems development and liaison with external institutions.

The successful candidate, a qualified accountant, will need to display a practical and mature approach to business issues, and will have the ability to manage a small team, existing currently within a creative environment.

This role should appeal to a finance professional who wishes to make a commercial contribution to a company's development. Several years of commercial experience will therefore be a prerequisite.

Interested applicants should telephone Bianca Coulter on 071-437 0464 (Fax on 071-437 0597), or write to her, enclosing a detailed CV, at the address below.

ROBERT • WALTERS • ASSOCIATES

RECRUITMENT CONSULTANTS

Queens House 1 Leicester Place London WC2H 7BP
Telephone: 071-437 0464

FINANCIAL CONTROLLER - SOUTH WEST

£25,000 + 2 LITRE CAR

Subsidiary of Expanding PLC
Fast Track Commercial Environment

This is an outstanding opportunity to join a recently acquired subsidiary of Eurocopy PLC, a highly successful and rapidly expanding quoted company, which is one of the United Kingdom's largest independent suppliers of photocopying equipment.

Reporting to the local finance director you will lead a small team responsible for the accounting and financial control of the subsidiary company. Key tasks will include the timely production of financial and management information, budgeting, capital expenditure control, systems development and enhancement.

Candidates should be qualified accountants of graduate calibre, probably aged 25 to 32, with a strong commercial approach. Good computer skills and a hands on management approach are further requirements for this key position. In addition you must be highly motivated with strong leadership and management abilities and be able to demonstrate first class technical and interpersonal skills.

This is a high profile role within this acquisitive group and prospects are limited only by individual ability.

Please apply in writing under private & confidential cover to:

Sorley Greig - Finance Director,
Equipu Plc, Ashridge Road,
Bristol BS12 4QU

